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LEGISLATIVE HISTORY

Public Law 302--79th Congress

Chapter 31--2d Session

H. R. 5135

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DIGEST OF PUBLIC LAW 302

AGRICULTURAL ADJUSTMENT ACT AMENDMENT. Amends this Act by authorizing the Secretary to decrease the national quota and State and farm acreage allotments for the 1946 burley-tobacco crop so as to prevent accumulation of supplies, authorize proclamation of national marketing quotas for the 1947 burley and flue-cured tobacco crop and the holding of referenda to determine whether growers favor quotas even though the supply of burley or flue-cured tobacco is less than the reserve supply level; and change the rate of the excess-tobacco penalty.

INDEX AND SUMMARY OF HISTORY ON H. R. 5135.

January 15, 1946 H. R. 5135 introduced by Rep. Flanagan and referred to the House Committee on Agriculture. Print of the bill as introduced.

January 18, 1946 House Committee reported H. R. 5135 without amendment. House Report 1476. Print of the bill as reported.

January 22, 1946 Debated and passed House with an amendment.

January 25, 1946 Referred to the Senate Committee on Agriculture and Forestry. Print of the bill as referred.

February 5, 1946 Senate Committee reported H. R. 5135 without amendment. Senate Report 921. Print of the bill as reported.

February 8, 1946 Debated and passed Senate without amendment.

February 19, 1946 Approved. Public Law 302.

Hearings: Senate executive hearings were held but not published.

79TH CONGRESS
2D SESSION

H. R. 5135

IN THE HOUSE OF REPRESENTATIVES

JANUARY 15, 1946

Mr. FLANNAGAN introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That Public Law Numbered 118, Seventy-eighth Congress,
4 as amended by Public Law Numbered 276, Seventy-eighth
5 Congress, is amended by striking out all of the first sentence
6 therein following the words "marketing years 1944-45,
7 1945-46" and inserting in lieu thereof the following: "1946-
8 47 and 1947-48 shall be proclaimed and the national market-
9 ing quota proclaimed by the Secretary and the State and
10 farm acreage allotments established pursuant to the pro-
11 claimed national quota for burley tobacco for the 1946-47

1 marketing year shall be reduced uniformly so as to make
2 available a supply of burley tobacco for such marketing year
3 not less than the reserve supply level: *Provided*, That no
4 allotment of one acre or less shall be reduced by more than
5 10 per centum."

6 The amendment made by this section shall not apply to
7 flue-cured tobacco for the 1946-47 marketing year.

8 SEC. 2. The first sentence of section 314 (a) of the
9 Agricultural Adjustment Act of 1938, as amended, is hereby
10 amended to read as follows: "The marketing of any kind
11 of tobacco in excess of the marketing quota for the farm
12 on which the tobacco is produced shall be subject to a
13 penalty of 50 per centum of the average market price (cal-
14 culated to the nearest whole cent) for such kind of tobacco
15 for the immediately preceding marketing year."

16 The amendment made by this section shall become
17 effective July 1, 1946.

79TH CONGRESS
2^D SESSION

H. R. 5135

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended.

By Mr. FLANNAGAN

JANUARY 15, 1946

Referred to the Committee on Agriculture

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued January 21, 1946 for actions of Friday, January 18, 1946)

(For staff of the Department only)

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HIGHLIGHTS: House committee reported bill increasing penalties on over-quota tobacco and giving Secretary right to reduce 1946 tobacco quotas. Rep. Rankin urged increased cotton prices. Rep. Flannagan introduced point-of-order bill. Rep. Spence introduced bill authorizing subsidies on 1946 sugar crop. Rep. Doughton inserted his letter to Bowles opposing cotton-price ceilings and the administrator's answer to it.

HOUSE

1. COTTON PRICES. Rep. Rankin, Miss., urged increased cotton prices, stating "cotton goods...would not cost 1 penny more" (p. 173).
2. A.A.A.; TOBACCO. The Agriculture Committee reported with amendment H.R. 5135, to amend the AAAct so as to increase the penalty on over-quota tobacco and give the Secretary of Agriculture the right to reduce tobacco quotas for the 1946 crops (H.Rept. 1476) (p. 141).
3. SURPLUS PROPERTY; VETERANS. Rep. Cochran, Mo., criticized disposal of surplus work clothes and urged that they be spread out over the country and not be disposed of "f.o.b. Brooklyn" (p. 135).
4. EDUCATION; VETERANS. Rep. Gillie, Ind., criticized the administration of funds for veterans' education and included a Chicago newspaper item on the subject (p. 130).
5. WAGE INCREASES; INFLATION. Rep. Vursell, Ill., criticized proposed wage increases to steel workers and their inflationary effect on farm machinery, food supplies, etc. (p. 135).
6. APPROPRIATION RESCISSIONS. H. Doc. 394 (see Digest 1) includes the following items: Emergency supplies for territories and possessions, \$2,500,000; OSRD, \$515,000; lend-lease, \$850,000,000; FBA, emergency safeguarding of public buildings and property, \$75,000; and Office of Fishery coordination, \$12,000.
7. LEGISLATIVE PROGRAM. Acting Majority Leader Sparkman announced the program for this week as follows: Mon., consent calendar and President's messages; Wed. and

Thurs., Independent Offices Appropriation bill; and Fri., USES bill (p. 134).

8. ADJOURNED until Mon., Jan. 21 (p. 141).

SENATE

9. F.E.P.C. Continued debated on S. 101, the FEPC bill (pp. 119-26).

10. ADJOURNED until Mon., Jan. 21 (p. 127).

BILLS INTRODUCED

11. APPROPRIATION-RESCISSON BILL. H. R. 5158 (see Digest 4) is identical with H.R. 4407, which was pocket-vetoed, except for the item which would transfer USES to the States. (See Digest 219, 1945, for provisions.)

12. POINT-OF-ORDER BILL. H. R. 5171, by Rep. Flannagan, Va., to provide basic authority for the performance of certain functions and activities of the Department of Agriculture. To Agriculture Committee. (p. 141.)

13. SUBSIDIES; SUGAR. H. J. Res. 301, by Rep. Spence, Ky., to amend Public Law 30, 79th Cong., so as to authorize subsidies on the 1946 sugar crop. To Banking and Currency Committee. (p. 141.)

14. TAXATION. H. R. 5174, to terminate wartime excise tax rates after June 30, 1946. To Ways and Means Committee. (p. 141.)

ITEMS IN APPENDIX

15. COTTON PRICES. Rep. Doughton, N.C., inserted his letter to Administrator Bowles opposing cotton-price ceilings and the Administrator's answer to it (p. A114).

16. ECONOMY; PRICE SUPPORTS. Rep. Hoffman, Mich., inserted a Chicago Daily Tribune article urging economy in Government spending and claiming that price-support expenditures "like the Commodity Credit Corporation, are not only superfluous but a positive menace" (pp. A113-4).

17. HOUSING. Extension of remarks of Rep. Mansfield, Mont., favoring a plan for \$5,000 homes and price ceilings "which give the little people a break" (p. A114).

18. LUMBER EXPORTS. Extension of remarks of Rep. McDonough, Calif., opposing the export of lumber from U.S. while the housing shortage exists (p. A118).

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COMMITTEE-HEARING ANNOUNCEMENT for Jan. 21: H. Appropriations, Agriculture Appropriation bill (ex.).

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For supplemental information and copies of legislative material referred to call Ext. 4654, or send to Room 113 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.

- o -

ITEM IN FEDERAL REGISTER Jan. 18, 1946

19. PERSONNEL: EXAMINATIONS. CSC regulation on application for examination for veterans (pp. 703-5).

- o o -

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that I may extend the remarks I made on my reservation of objection a while ago to the request of the gentleman from California [Mr. ANDERSON] and that I may include therein excerpts from letters, radiograms and telegrams which I am receiving from servicemen overseas as well as excerpts from some speeches made here in town last night.

Mr. KNUTSON. Mr. Speaker, reserving the right to object, will the total amount exceed two pages?

Mr. RANKIN. No; I will say to the gentleman from Minnesota.

Mr. RICH. Mr. Speaker, reserving the right to object, may I ask the gentleman from Mississippi if among those letters he is receiving from servicemen overseas there are any letters from anybody saying they want to stay over there?

Mr. RANKIN. Not yet. In reply to the gentleman from Pennsylvania, I would like to say that I am receiving enormous loads of letters from fathers and mothers and wives of servicemen begging us to do something to bring them home.

Mr. RICH. I am in sympathy with them.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House next Tuesday for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

ADJOURNMENT

Mr. KELLEY of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 45 minutes p. m.) the House adjourned until Monday, January 21, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE CENSUS

(Thursday and Friday, January 24 and 25, 1946)

The Committee on the Census will hold hearings on H. R. 4781 on Thursday and Friday mornings, January 24 and 25, 1946, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

960. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill to amend the District of Columbia Traffic Act, 1925, approved March 3, 1925, as amended, to provide for tests of blood, urine, and breath of persons arrested in the District of Columbia for certain offenses; to the Committee on the District of Columbia.

961. A letter from the Assistant Director, Administrative Office of the United States Courts, transmitting a copy of the detailed statement of expenditures of appropriations for the United States Court of Customs and Patent Appeals for the fiscal year ended June 30, 1945; to the Committee on Expenditures in the Executive Departments.

962. A letter from the Archivist of the United States, transmitting a report on disposition of certain records of the American Consulate at Kweilin, China; to the Committee on the Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FLANNAGAN: Committee on Agriculture. H. R. 5135. A bill to amend the Agricultural Adjustment Act of 1938, as amended; with amendment (Rept. No. 1476). Referred to the Committee of the Whole House on the State of the Union.

Mr. BISHOP: Committee on Naval Affairs.

S. 1590. An act to authorize the President to appoint Graves Blanchard Erskine, major general, United States Marine Corps, to the office of Retraining and Reemployment Administrator, without affecting his service status and perquisites; without amendment (Rept. No. 1477). Referred to the Committee of the Whole House.

Mr. HESS: Committee on Naval Affairs. S. 1467. An act to provide for adjustment between the proper appropriations of unpaid balances in the pay accounts of naval personnel on the last day of each fiscal year, and for other purposes; without amendment (Rept. No. 1478). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDERSON of California: Committee on Naval Affairs. S. 1631. An act to provide for the payment on a commuted basis of the costs of transportation of dependents of certain persons entitled to such transportation, and for other purposes; without amendment (Rept. No. 1479). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CASE of South Dakota:

H. R. 5170. A bill to amend the point system of the War and Navy Departments by providing additional credit for overseas service; to the Committee on Military Affairs.

By Mr. FLANNAGAN:

H. R. 5171. A bill to provide basic authority for the performance of certain functions and activities of the Department of Agriculture; to the Committee on Agriculture.

By Mr. KELLEY of Pennsylvania:

H. R. 5172. A bill to permit veterans to receive readjustment allowances for unemploy-

ment where stoppage of work exists because of a labor dispute; to the Committee on World War Veterans' Legislation.

By Mr. KNUTSON:

H. R. 5173. A bill to establish import quotas with respect to imports of jeweled watches and watch movements; to the Committee on Ways and Means.

H. R. 5174. A bill to terminate wartime excise tax rates after June 30, 1946; to the Committee on Ways and Means.

By Mr. RANDOLPH:

H. R. 5175. A bill to amend the act entitled "An act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes" approved June 20, 1936, and for other purposes; to the Committee on Labor.

By Mr. SPENCE:

H. J. Res. 301. Joint resolution to amend Public Law 30 of the Seventy-ninth Congress and for other purposes; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Kentucky:

H. R. 5176. A bill for the relief of Elwood David Arnold; to the Committee on Claims.

H. R. 5177. A bill for the relief of Clint Toliver and Gertrude Toliver; to the Committee on Claims.

By Mrs. DOUGLAS of California:

H. R. 5178. A bill for the relief of Marian Antoinette McCloud; to the Committee on Immigration and Naturalization.

By Mr. LEONARD W. HALL:

H. R. 5179. A bill for the relief of Mrs. Marion M. Martin; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1469. By Mr. BRUMBAUGH: Petition of 200 residents of Blair County, Pa., protesting the retention in the armed forces of married men and especially all enlisted personnel who have served 2 years or more and calling for a complete review of the entire demobilization program; protesting the establishment of fact-finding committees; urging strict control of labor unions and voicing anxiety over the communistic trend that it is felt is an active menace and a threat to our American form of government; to the Committee on Military Affairs.

1470. By Mr. COLE of Missouri: Petition of M. F. Adams and 325 others, urging continuance of the OPA until the danger of inflation is past; to the Committee on Banking and Currency.

1471. By Mr. GOODWIN: Petition of Chapter 10, Disabled American Veterans, Massachusetts Department, DAV, to amend Executive Order No. 9538 so as to extend to all post-office appointees and employees credits for all seniority purposes for the period of military service; to the Committee on the Civil Service.

1472. By Mr. GRAHAM: Petition of Pleasant Hill Grange, No. 1505, of the Lawrence County Pomona Grange, New Castle, Pa., opposing peacetime military training; to the Committee on Military Affairs.

AMENDING THE AGRICULTURAL ADJUSTMENT ACT OF
1938

JANUARY 18, 1946.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. FLANNAGAN, from the Committee on Agriculture, submitted the
following

R E P O R T

[To accompany H. R. 5135]

The Committee on Agriculture, to whom was referred the bill
(H. R. 5135) to amend the Agricultural Adjustment Act of 1938, as
amended, having considered the same, report thereon with a recom-
mendation that it do pass, without amendment.

STATEMENT

This bill amends sections 312, 313, and 314 of the Agricultural
Adjustment Act of 1938, as amended, first, by authorizing the Secretary
of Agriculture to decrease the national quota and State and farm
aereage allotments for the 1946 crop of burley tobacco so as to prevent
accumulation of surplus supplies; second, it authorizes the proclamation
of national marketing quotas for the 1947 crop of burley and
flue-cured tobacco and the holding of referenda to determine whether
growers favor quotas even though the supply of burley or flue-cured
tobacco is less than the reserve supply level; and third, it changes the
rate of penalty applicable to tobacco marketed in excess of farm
marketing quotas.

AUTHORIZATION TO REDUCE THE BURLEY QUOTA FOR THE 1946 CROP

Under sections 312 and 313 of the Agricultural Adjustment Act of
1938, as amended, the Secretary of Agriculture is required to proclaim
a national marketing quota and to establish State and farm aereage
allotments for burley tobacco of the 1946 crop slightly above the 1945
level. The Secretary of Agriculture has acted in accordance with
these provisions of law. Since the end of the war a sharp reduction
in demand for tobacco products and leaf tobacco has occurred for the
domestic market. It now is obvious that continued production of

burley tobacco at the levels allowed under marketing quotas authorized for 1946 will result in the accumulation of a burdensome supply of burley tobacco. This situation has been recognized by the Department of Agriculture in its recommendation of a production goal for burley tobacco in 1946 at least 10 percent below that grown in 1945. The recent sharp decline in prices of burley tobacco reflects clearly the existence of a surplus supply. When the markets opened in early December, prices for burley tobacco were at ceilings established by the Office of Price Administration. Recently, prices have declined to such an extent that substantial quantities of tobacco are being placed under Government loan at support prices equal to 90 percent of parity. Total production of burley tobacco from the 1944 and 1945 crops exceeded disappearance by approximately 265,000,000 pounds. This tobacco has been placed in stocks which now are slightly above normal levels. A crop in 1946 as large as that in 1945 will create a large surplus supply with consequent depression of prices and severe losses to growers.

Under existing legislation the Secretary of Agriculture cannot decrease burley tobacco quotas and allotments. The bill provides that the Secretary of Agriculture shall reduce the national quota and State and farm acreage allotments for the 1946 crop of burley tobacco and thereby prevent accumulation of surplus supplies. From preliminary analysis of the situation it is contemplated that quotas and allotments for the 1946 crop will not need to be reduced more than 20 percent below those for 1945. The following table shows the production, carry-over, total supply, and disappearance for burley tobacco for the years 1942 and 1945.

Burley tobacco: Production, carry-over, total supply, and disappearance, 1942-45

[Million pounds]

Year	Production	Carry-over Oct. 1	Total supply	Disappearance
1942	343.5	755.3	1,098.8	412.8
1943	391.4	686.0	1,077.4	426.2
1944	591.5	651.2	1,242.7	483.7
1945	603.4	759.0	1,362.4	450-475

Burley tobacco production rose from a level slightly in excess of 300,000,000 pounds in 1942 to more than 600,000,000 pounds in 1945. At the same time, the total supply increased from a level around 1,100,000,000 pounds to 1,362,000,000 pounds. During the same period, disappearance increased from a level slightly in excess of 400,000,000 pounds to a peak of 484,000,000 pounds in 1944-45 and it is estimated that disappearance will be reduced to a level of 450 to 475 million pounds in 1945-46.

In connection with the reduction of the burley farm allotments for the 1946 crop, provision is made that the reduction for all previously established allotments of one acre or less cannot exceed 10 percent. This means that all allotments of 0.6 acre to 1 acre can be reduced by 0.1 acre and that allotments of 0.5 acre or less cannot be reduced. There now are approximately 275,000 farms having burley tobacco allotments. Of these, approximately 120,000 farms have allotments of 1 acre or less. The total burley allotment now is slightly over 600,000 acres. Of this total, slightly less than 120,000 acres is allotted

to farmers with allotments of 1 acre or less. The burden on larger farms in making contemplated adjustments is heavier to the extent that it is not shared by the smaller farms, but this protection for the smaller farms is consistent with policies established under previous legislation.

PROCLAMATION OF QUOTA AND REFERENDUM FOR THE 1947 CROP

The bill requires the Secretary to proclaim a national-marketing quota for burley and flue-cured tobacco of the 1947 crop, which in turn would require the holding of a referendum for each kind of tobacco to determine whether growers favor marketing quotas. It is likely that a quota could be proclaimed and a referendum held for burley tobacco without this amendment. The supply situation for flue-cured tobacco, however, is such that it is doubtful whether this could be done under existing provisions of law. Therefore, it is considered advisable to take action now which will definitely provide for proclamation of the quota and holding of the referendum. If growers should approve quotas after the 1946 crop, quotas and allotments would be established in accordance with the applicable provisions of sections 312 and 313 of the act. Both flue-cured and burley growers produced record quantities of tobacco to meet wartime needs. Burley tobacco is consumed almost entirely in the United States and the need for reduced production in 1946 is apparent as indicated above. Large quantities of flue-cured tobacco are exported and during the war foreign stocks of flue-cured tobacco were exhausted or seriously depleted. Supplies on hand in this country are inadequate to satisfy needs in foreign countries which normally buy United States flue-cured tobacco. Recognizing this situation, the Secretary of Agriculture recently increased the marketing quota for flue-cured tobacco of the 1946 crop by 10 percent over the quota for the 1945 crop. This contemplates the largest crop of flue-cured tobacco ever grown—a crop 250 to 300 million pounds above estimated annual world consumption. In 1947 it likely will be necessary to reduce this level of production to protect growers from surplus supplies. This reduction cannot be expected in time to prevent disastrously low prices to growers unless quotas are used. Therefore, it seems wise and only fair that growers should have as much protection as possible against the unpredictable factors in the years immediately ahead. Direction to the Secretary of Agriculture to proclaim a quota and hold a referendum gives growers the right to decide whether they want to use the protection afforded by the marketing-quota program.

CHANGE OF PENALTY RATES

Under present provisions of law, the penalty on marketing of tobacco in excess of farm quotas is 10 cents per pound in the case of flue-cured, burley, and Maryland tobacco and 5 cents per pound in the case of other kinds of tobacco. When these penalty rates were fixed, they amounted to approximately 50 percent of the average market price of each kind of tobacco. With the increase in the general price level since these rates were fixed, accompanied by corresponding increases in the price of tobacco, these penalty rates now amount to less than one-fourth of recent prices. The bill provides

that the penalty rate for each marketing year be changed to equal 50 percent of the average market price for each kind of tobacco in the immediately preceding marketing year (that is, the season average market price for each kind of tobacco published by the Bureau of Agricultural Economics of the United States Department of Agriculture). This change is consistent with the Agricultural Adjustment Act of 1938, as originally enacted, which fixed the penalty at 50 percent of the gross price received by the farmer for his tobacco. It differs only in that it gives a predetermined flat rate of penalty which is desirable for administrative reasons and which also makes it possible for farmers to know in advance what the penalty rate will be.

FARMER VIEWS

Farm leaders throughout the tobacco area and large groups of farmers in mass meetings have urged that the three changes provided in this bill be made. They have expressed the view that tobacco programs have been effective in helping farmers and that these changes will aid in continued successful operation of the tobacco program.

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes made by the bill are shown as follows (existing law proposed to be omitted is enclosed by black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

[PUBLIC LAW 118, 78TH CONG., AS AMENDED]

* * * notwithstanding the provisions of section 312 (a) of the Agricultural Adjustment Act of 1938, as amended, relating to the finding of the total supply of tobacco, the reserve supply level and the amount of the national marketing quota, and the provisions of section 313 of said Act relating to the apportionment of the national marketing quota for tobacco among the States and farms, national marketing quotas for burley and flue-cured tobacco for the marketing years 1944 and 1945, 1945 and 1946, [and 1946 and 1947 shall be proclaimed and the national marketing quotas and State and farm acreage allotments shall be the same as for the preceding year: *Provided, however,* That an additional acreage not in excess of 2 per centum of the total acreage allotted to all farms in each State in 1940 shall be allotted in accordance with the applicable provisions of subsection (a) of section 313 and an additional acreage equal to not more than 5 per centum of the national marketing quota shall be allotted to farms on which no tobacco was produced in the last five years in accordance with the provisions of subsection (g) of section 313.] 1946 and 1947 and 1947 and 1948 shall be proclaimed and the national marketing quota proclaimed by the Secretary and the State and farm acreage allotments established pursuant to the proclaimed national quota for Burley tobacco for the 1946 and 1947 marketing year shall be reduced uniformly so as to make available a supply of Burley tobacco for such marketing year not less than the reserve supply level: *Provided,* That no allotment of one acre or less shall be reduced by more than 10 per centum. This joint resolution shall not have the effect of modifying or repealing any other provision of said Act.

[PUBLIC LAW 430, 75TH CONG.]

* * * * *

SEC. 314. (a) [The marketing of any tobacco in excess of the marketing quota for the farm on which the tobacco is produced shall be subject to a penalty of 10 cents per pound in the case of flue-cured Maryland or burley tobacco and 5 cents per pound in the case of all other kinds of tobacco.] The marketing of any kind of tobacco in excess of the marketing quota for the farm on which the tobacco is produced shall be subject to a penalty of 50 per centum of the average market price (cal-

culated to the nearest whole cent) for such kind of tobacco for the immediately preceding marketing year. Such penalty shall be paid by the person who acquires such tobacco from the producer but an amount equivalent to the penalty may be deducted by the buyer from the price paid to the producer in case such tobacco is marketed by sale; or, if the tobacco is marketed by the producer through a warehouseman or other agent, such penalty shall be paid by such warehouseman or agent who may deduct an amount equivalent to the penalty from the price paid to the producer: *Provided*, That in case any tobacco is marketed directly to any person outside the United States the penalty shall be paid and remitted by the producer. If any producer falsely identifies or fails to account for the disposition of any tobacco, an amount of tobacco equal to the normal yield of the number of acres harvested in excess of the farm acreage allotment shall be deemed to have been marketed in excess of the marketing quota for the farm, and the penalty in respect thereof shall be paid and remitted by the producer. Tobacco carried over by the producer thereof from one marketing year to another may be marketed without payment of the penalty imposed by this section if the total amount of tobacco available for marketing from the farm in the marketing year from which the tobacco is carried over did not exceed the farm marketing quota established for the farm for such marketing year (or which would have been established if marketing quotas had been in effect for such marketing year), or if the tobacco so carried over does not exceed the normal production of that number of acres by which the harvested acreage of tobacco in the calendar year in which the marketing year begins is less than the farm-acreage allotment. Tobacco produced in a calendar year in which marketing quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though it is marketed prior to the date on which such marketing year begins.



Union Calendar No. 437

79TH CONGRESS
2^D SESSION

H. R. 5135

[Report No. 1476]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 15, 1946

Mr. FLANNAGAN introduced the following bill; which was referred to the Committee on Agriculture

JANUARY 18, 1946

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That Public Law Numbered 118, Seventy-eighth Congress,
4 as amended by Public Law Numbered 276, Seventy-eighth
5 Congress, is amended by striking out all of the first sentence
6 therein following the words "marketing years 1944-45,
7 1945-46" and inserting in lieu thereof the following: "1946-
8 47 and 1947-48 shall be proclaimed and the national market-
9 ing quota proclaimed by the Secretary and the State and
10 farm acreage allotments established pursuant to the pro-

1 claimed national quota for burley tobacco for the 1946-47
2 marketing year shall be reduced uniformly so as to make
3 available a supply of burley tobacco for such marketing year
4 not less than the reserve supply level: *Provided*, That no
5 allotment of one acre or less shall be reduced by more than
6 10 per centum."

7 The amendment made by this section shall not apply to
8 flue-cured tobacco for the 1946-47 marketing year.

9 SEC. 2. The first sentence of section 314 (a) of the
10 Agricultural Adjustment Act of 1938, as amended, is hereby
11 amended to read as follows: "The marketing of any kind
12 of tobacco in excess of the marketing quota for the farm
13 on which the tobacco is produced shall be subject to a
14 penalty of 50 per centum of the average market price (cal-
15 culated to the nearest whole cent) for such kind of tobacco
16 for the immediately preceding marketing year."

17 The amendment made by this section shall become
18 effective July 1, 1946.

79TH CONGRESS
2D SESSION

H. R. 5135

[Report No. 1476]

A BILL

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By Mr. FLANNAGAN

JANUARY 15, 1946

Referred to the Committee on Agriculture

JANUARY 18, 1946

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

~~Federal Works Agency.~~ "In recommending a reduction of \$60,000 in the estimate of \$360,000 for this ~~Administrator's~~ office the committee has allowed a sum of \$4,028 less than the current appropriation, taking into consideration the necessity for providing \$38,263 additional for Pay Act increases under Public 106. In making this substantial reduction the committee reiterates its opposition to the financing on a large scale of a supervisory agency, the primary function of which is to coordinate activities of two highly efficient organizations which are to a marked degree able and self-sufficient and require little or no direction from a superagency."

2. ~~A.A.A.; TOBACCO.~~ Passed with amendment H.R. 5135, to amend the AAAAct so as to increase the penalty on over-quota tobacco and give the Secretary of Agriculture the right to reduce tobacco quotas for the 1946 crops (p. 226). Agreed to Rep. Flannagan's (Va.) amendment to reduce the over-quota tobacco penalty from 50% to 40% and to exempt flue-cured tobacco from penalty until 1947.
3. ~~SUBSIDIES; SUGAR.~~ The Banking and Currency Committee reported with amendment H.J. Res. 301, to amend Public Law 30, 79th Cong., so as to authorize payment of subsidies on the 1946 sugar crop (H.Rept.1486) (p. 243).
4. ~~RESEARCH; FUR-BEARING ANIMALS.~~ Discussed and passed over on objection H.R. 2115, to transfer fur-bearing animal activities to this Department (pp. 222-3).
5. ~~RURAL REHABILITATION.~~ Passed over on objection H. R. 2501, to authorize the Secretary of Agriculture to continue administration and ultimately liquidate Federal rural rehabilitation projects (p. 224).
6. ~~POLITICAL ACTIVITIES.~~ Discussed and passed over on objection H.R. 1118, to amend the Hatch Act so as to authorize CSC to decide penalties for the violation of this Act (pp. 223-4).
7. ~~BOULDER CANYON PROJECT.~~ Passed without amendment H.R. 4932, to amend the Boulder Canyon Project Act so as to provide for settlement of veterans on reclamation lands (pp. 225-6).
8. ~~U.S.E.S.~~ The Labor Committee reported without amendment H. R. 4437, to provide for the return of public employment offices to State operation (H. Rept. 1487) (p. 243). The Rules Committee reported a resolution for the consideration of this bill (p. 243).
9. ~~CLAIMS.~~ Passed over on objection H.R. 181, to provide for the adjustment of certain tort claims against the U.S. and to confer jurisdiction in respect thereto on the U.S. district courts (p. 222).
10. ~~PRICE CONTROL; INFLATION.~~ Rep. Patman, Tex., spoke favoring retention of price controls, discussed the dangers of inflation, and included OWMR Director Snyder's and other statements on the subject (pp. 236-40).
11. ~~FARM PRICES.~~ Rep. Rankin, Miss., stated that if farmers received a return for their labor comparable to the wages paid in industry, prices of cotton, corn, wheat, hogs, etc. would be exorbitantly high (p. 221).
12. ~~SURPLUS PROPERTY.~~ Rep. Rogers, Fla., criticized the system of surplus-property disposal (p. 218).

SENATE

13. F.E.P.C. Continued debate on S. 101, the FEPC bill (pp. 187-216). During the debate Sen. Wiley, Wis., questioned the advisability of the application of this bill to farm labor (p. 194).

BILLS INTRODUCED

14. EMPLOYMENT. H. R. 5203, by Rep. Hoffman, Mich., to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce; to diminish unemployment; to establish a national policy for assuring continuing employment in a free competitive economy; and to protect the right to work. To Labor Committee. (p. 243.)

15. PHYSICALLY HANDICAPPED. H. R. 5206, by Rep. Sparkman, Ala., to establish a Federal Commission for the Physically Handicapped and to define its duties. To Labor Committee. (p. 243.) Remarks of author (p. 220).

ITEMS IN APPENDIX

16. FOOD PRICES. Rep. Stevenson, Wis., inserted a tabulation of comparative food prices for 1939 and 1945 in LaCrosse, Wis. (p. A170).

17. PRICE CONTROL. Extension of remarks of Rep. Miller, Nebr., opposing the continuance of OPA and including an Omaha (Nebr.) Morning World-Herald editorial on the subject (pp. A155-6).
Rep. LeVevre, N.Y., inserted a National Retail Lumber Dealers' Assn. article claiming that OPA control of lumber prices is retarding the housing program (p. A174).

18. HOUSING. Rep. Rabin, N.Y., inserted F. D. Roosevelt Jr.'s radio address on the seriousness of the housing shortage (pp. A158-9).

19. SURPLUS PROPERTY. Reps. Gavin (Pa.) and Clason (Mass.) inserted an American Legion resolution and a letter urging an investigation of the surplus-property disposition to veterans (p. A162, A176).

COMMITTEE-HEARINGS ANNOUNCEMENTS for Jan. 23: H. Appropriation, agriculture bill (ex); H. Banking and Currency, Patman housing bill (Collett to testify); H. Rules, school-lunch program, independent offices appropriation bill, USES; Unofficial Committee on cotton; S. Atomic Energy; S. Education and Labor, minimum wages (ex.); S. Military Affairs, scientific research agency (ex.); Conference on full-employment bill.

For supplemental information and copies of legislative material referred to call Ext. 4654, or send to Room 113 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.

conflict. The powers conferred herein shall be in addition and supplemental to and the limitations imposed hereby shall not affect the powers conferred by any other law.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REVENUE BONDS, HAWAII

The Clerk called the bill (H. R. 3614) to ratify and confirm Act 33 of the Session Laws of Hawaii, 1945, extending the time within which revenue bonds may be issued and delivered under chapter 118, revised laws of Hawaii, 1945.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That Act 33 of the Session Laws of Hawaii, 1945, amending chapter 118, Revised Laws of Hawaii, 1945, so as to extend the time within which revenue bonds may be issued and delivered under said chapter 118, is hereby ratified and confirmed and revenue bonds may be issued under and pursuant to the provisions of said chapter 118 of the Revised Laws of Hawaii, 1945, as amended by said Act 33, without the approval of the President of the United States and without the incurring of an indebtedness within the meaning of the Hawaiian Organic Act, and said chapter 118, as amended, shall constitute full authority for the issuance of said bonds without reference to and independent of the Hawaiian Organic Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RATIFYING AND CONFIRMING ACT 32 OF THE SESSION LAWS OF HAWAII, 1945

The Clerk called the bill (H. R. 3657) to ratify and confirm Act 32 of the Session Laws of Hawaii, 1945.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Act 32 of the Session Laws of Hawaii, 1945, amending Act 101 of the Session Laws of Hawaii, 1921, relating to the manufacture, maintenance, distribution, and supply of electric current for light and power within the districts of North and South Hilo and Puna, in the county of Hawaii, by extending the franchise to the districts of Kau and South Kohala, in that county, is hereby ratified and confirmed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING BOULDER CANYON PROJECT ACT

The Clerk called the bill (H. R. 4932) to amend section 9 of the Boulder Canyon Project Act, approved December 21, 1928.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, I wonder if the author of the bill would consider an amendment to the Boulder Canyon Project Act to restore the original name of the project in honor of Herbert Hoover?

Mr. MURDOCK. Mr. Speaker, in answer to the gentleman, I feel that the proposal is not germane to this particular bill, and I would have to oppose

it. However, I am not opposed to the idea in general of naming certain public works after appropriate individuals, as I have a feeling that the great dams and works of that sort in the West ought to be named after prominent public officials who have had most to do with their construction. But this is simply a bill which extends the benefits of the act to the veterans of the Second World War exactly as the original act extended those benefits to the veterans of the First World War, and applies those benefits to lands in Arizona as well as to lands in California. I am quite anxious that the bill be passed, and I believe that the proposed amendment might interfere with or at least delay passage of the legislation. This bill is needed to couple with H. R. 2742 which passed the House by unanimous consent some months ago.

Mr. CASE of South Dakota. Mr. Speaker, in order that we may go into that a little bit further and that I may have an opportunity to confer with the gentleman from Arizona, I ask unanimous consent that the bill go over without prejudice.

Mr. MURDOCK. I hope the gentleman will not delay the passage of the bill, as it would delay important benefits to qualified veterans.

Mr. CASE of South Dakota. The bill would not be delayed very long, but merely until the next time the Consent Calendar is called and we have had an opportunity to discuss it.

Mr. MURDOCK. If the gentleman wants to take up the general matter of legislation such as he proposed, I am quite willing to take that up at any time aside from this.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

Mr. PETERSON of Florida. Mr. Speaker, reserving the right to object, I hope the gentleman will not object because this particular matter involves only an amendment to section 9. The House has already passed the bill giving veterans of this war the same privileges as veterans of other wars with reference to preference under the Boulder Canyon Act. However, in exploring that situation, it was discovered that the original act only gave preference to those lands on the Nevada and California side and not on the Arizona side. This particular bill is to extend the benefits to those lands on the Arizona side. The other bill is before the Senate. When this bill goes to the other body it can all be worked in and the Arizona lands can be granted the same privileges that have been granted to the Nevada and California lands.

Mr. CASE of South Dakota. Mr. Speaker, I appreciate the gentleman's argument. I certainly have no objections to the purposes of the bill. I should be in favor of its passage, but I see no particular harm in giving us an opportunity to go into the other matter. The bill will only be postponed until the first Monday in February at which time I would have no objection to the consideration of passage of the bill if we can in the meantime come to some agreement on the other matter.

Mr. MURDOCK. Mr. Speaker, may I say in addition to what the gentleman from Florida has said that the other bill is pending in the Senate and we would like very much to pass this legislation so as to dovetail it into the other legislation. The proposal would certainly not be appropriate to this measure.

Mr. CASE of South Dakota. The gentleman from Arizona is chairman of the Committee on Irrigation and Reclamation. Would the gentleman assure me of early consideration of a bill if I offer a separate bill on the subject of renaming the project according to its original name in recognition of Mr. Hoover's efforts in its original construction?

Mr. MURDOCK. Mr. Speaker, I will undertake as chairman of the committee to make that promise to my friend for I am always glad to consider any legislation offered by my friend from South Dakota.

Mr. CASE of South Dakota. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 9 of the Boulder Canyon Project Act (45 Stat. 1057, 1063, 43 U. S. C., sec. 617h) is amended to read as follows:

"All lands of the United States found by the Secretary of the Interior to be practicable of irrigation and reclamation by the irrigation works authorized herein shall be withdrawn from public entry. Thereafter, at the direction of the Secretary of the Interior, such lands shall be opened for entry, in tracts varying in size but not exceeding 160 acres, as may be determined by the Secretary of the Interior, in accordance with the provisions of the reclamation law, and any such entryman shall pay an equitable share in accordance with the benefits received, as determined by the said Secretary, of the construction cost of said canal and appurtenant structures; said payments to be made in such installments and at such times as may be specified by the Secretary of the Interior, in accordance with the provisions of the said reclamation law, and shall constitute revenue from said project and be covered into the fund herein provided for: *Provided*, That all persons who served in the United States Army, Navy, Marine Corps, or Coast Guard during World War II, the War with Germany, the War with Spain, or in the suppression of the insurrection in the Philippines, and who have been honorably separated or discharged therefrom or placed in the Regular Army or Naval Reserve, shall have the exclusive preference right for a period of 3 months to enter said lands, subject, however, to the provisions of subsection (c) of section 4 of the act of December 5, 1924 (43 Stat. 672, 702, 43 U. S. C., sec. 433); and also, so far as practicable, preference shall be given to said persons in all construction work authorized by this chapter: *Provided further*, That the above exclusive preference rights shall apply to veteran settlers on lands watered from the Gila canal in Arizona the same as to veteran settlers on lands watered from the All-American canal in California: *Provided further*, That in the event such an entry shall be relinquished at any time prior to actual residence upon the land by the entryman for not less than 1 year, lands so relinquished shall not be subject to entry for a period of 60 days after the filing and notation of the relinquishment in the local land office, and after the expiration of said 60-day period such lands shall be open

to entry, subject to the preference in this section provided."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5135) to amend the Agricultural Adjustment Act of 1938, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That Public Law No. 118, Seventy-eighth Congress, as amended by Public Law No. 276, Seventy-eighth Congress, is amended by striking out all of the first sentence therein following the words "marketing years 1944-45, 1945-46" and inserting in lieu thereof the following: "1946-47 and 1947-48 shall be proclaimed and the national marketing quota proclaimed by the Secretary and the State and farm acreage allotments established pursuant to the proclaimed national quota for burley tobacco for the 1946-47 marketing year shall be reduced uniformly so as to make available a supply of burley tobacco for such marketing year not less than the reserve supply level: *Provided*, That no allotment of 1 acre or less shall be reduced by more than 10 percent."

The amendment made by this section shall not apply to flue-cured tobacco for the 1946-47 marketing year.

Sec. 2. The first sentence of section 314 (a) of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows: "The marketing of any kind of tobacco in excess of the marketing quota for the farm on which the tobacco is produced shall be subject to a penalty of 50 percent of the average market price (calculated to the nearest whole cent) for such kind of tobacco for the immediately preceding marketing year."

The amendment made by this section shall become effective July 1, 1946.

Mr. FLANNAGAN. Mr. Speaker, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. FLANNAGAN: On page 2, lines 9 to 18, inclusive, after line 8, strike out:

"Sec. 2. The first sentence of section 314 (a) of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows: 'The marketing of any kind of tobacco in excess of the marketing quota for the farm on which the tobacco is produced shall be subject to a penalty of 50 percent of the average market price (calculated to the nearest whole cent) for such kind of tobacco for the immediately preceding marketing year.'

"The amendment made by this section shall become effective July 1, 1946."

And insert:

"Sec. 2. The first sentence of section 314 (a) of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows: 'The marketing of any kind of tobacco in excess of the marketing quota for the farm on which the tobacco is produced shall be subject to a penalty of 40 percent of the average market price (calculated to the nearest whole cent) for such kind of tobacco for the immediately preceding marketing year.'

"The amendment made by this section shall become effective July 1, 1946, except that in the case of flue-cured tobacco such amendment shall become effective May 1, 1947."

Mr. FLANNAGAN. Mr. Speaker, I may state that this legislation amends the tobacco law by giving the Secretary of Agriculture the right to decrease burley tobacco allotments for this year, and by increasing the penalty on tobacco grown on acreage in excess of allotments from 10 cents per pound to 40 percent of the selling price. The penalty increase would not apply to flue-cured tobacco until 1947. The bill also requires the Secretary to proclaim marketing quotas for burley and flue-cured for 1947, which in turn would require the holding of a referendum for each kind of tobacco in order to determine if the growers favored marketing quotas.

We have an overproduction of burley tobacco this year, which has hammered down the price on some floors \$20 per 100 pounds. It is a tragic situation. Our burley growers are losing millions of dollars.

A few days ago at a meeting between the burley tobacco growers, the officials of the Department of Agriculture and the OPA, and the House Members from the burley tobacco districts, these amendments were unanimously agreed upon. As a result of the meeting this legislation was introduced. The House Committee on Agriculture the day after the legislation was introduced made a favorable report. It is of the utmost importance that we pass the legislation immediately if the growers are to receive any relief as to the present burley tobacco crop. It is thought that if the tobacco companies are given some assurance that we will not have a surplus crop next year, the price as to the balance of this year's burley crop will go back to around the production cost level at least. The only way we can be assured that there will not be an increase in burley production next year is by the passage of this legislation which gives the Secretary of Agriculture the right to decrease burley tobacco allotments for 1946 and raises the penalty on excess allotment tobacco.

Unless we get the price up in some way we are going to lose further millions of dollars. We have already lost millions of dollars by reason of the ruinous prices that are now being paid. Most of that money will be lost by smaller farmers, like the gentleman from Tennessee [Mr. JENNINGS], whom I see standing, represents. This tobacco money means everything to them.

Mr. JENNINGS: Mr. Speaker, will the gentleman yield?

Mr. FLANNAGAN. I yield to the distinguished gentleman from Tennessee.

Mr. JENNINGS. May I say to the Members of the House, this is a matter of most vital concern to the small farmers throughout the States that raise Burley tobacco. It is their only cash crop. It is a crop which is expensive to grow. It is a crop which requires a year to produce. The seed is sown in February. The final marketing of the tobacco is consummated in January. I recall the time

when men who produced it did not even get the cost of its production. Unless we hold it within due bounds the industry will be destroyed and a great many small people will suffer for the necessities of life. It brings in money at Christmas time, when the tax gatherers are at the door, and but for this money Santa Claus would not come.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. HOLIFIELD. I wanted to ask the gentleman from Tennessee [Mr. JENNINGS] if this is not an interference on the part of the New Deal with the law of supply and demand in regard to the price of tobacco.

Mr. JENNINGS. I do not want to split hairs here with the gentleman. I am talking about tobacco.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. GRANGER. As I understand it, this amendment simply puts back into effect the quota system on tobacco.

Mr. FLANNAGAN. It gives the Secretary of Agriculture the right to lower burley tobacco allotments for this year. It also increases the penalty on over-allotment tobacco.

Mr. GRANGER. What was the amendment offered by the gentleman? Did that change the penalty?

Mr. FLANNAGAN. Yes; from 50 to 40 percent of the selling price, and the increase in the penalty to 40 percent is not to apply to flue-cured tobacco until 1947.

Mr. GRANGER. It did not change the penalty on tobacco?

Mr. RABAUT. Does it change it from 50 to 40 percent?

Mr. FLANNAGAN. Yes.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. COFFEE asked and was given permission to extend his remarks in the RECORD on five different topics, and in connection therewith to include excerpts and newspaper articles.

Mr. MARCANTONIO asked and was given permission to revise and extend the remarks he made in the House earlier today.

Mr. PHILBIN asked and was given permission to revise and extend his remarks and include excerpts.

SPECIAL ORDER

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Illinois [Mr. VURSELL] is recognized for 20 minutes.

(Mr. VURSELL asked and was given permission to revise and extend his remarks.)

Mr. VURSELL. Mr. Speaker, the mail I am receiving from my district indicates that the people I represent are intensely interested in two major problems before the Congress.

79TH CONGRESS
2D SESSION

H. R. 5135

IN THE SENATE OF THE UNITED STATES

JANUARY 25 (legislative day, JANUARY 18), 1946

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That Public Law Numbered 118, Seventy-eighth Congress,
4 as amended by Public Law Numbered 276, Seventy-eighth
5 Congress, is amended by striking out all of the first sentence
6 therein following the words “marketing years 1944–45,
7 1945–46” and inserting in lieu thereof the following: “1946–
8 47 and 1947–48 shall be proclaimed and the national market-
9 ing quota proclaimed by the Secretary and the State and
10 farm acreage allotments established pursuant to the pro-
11 claimed national quota for burley tobacco for the 1946–47

1 marketing year shall be reduced uniformly so as to make
2 available a supply of burley tobacco for such marketing year
3 not less than the reserve supply level: *Provided*, That no
4 allotment of one acre or less shall be reduced by more than
5 10 per centum."

6 The amendment made by this section shall not apply to
7 flue-cured tobacco for the 1946-47 marketing year.

8 SEC. 2. The first sentence of section 314 (a) of the
9 Agricultural Adjustment Act of 1938, as amended, is hereby
10 amended to read as follows: "The marketing of any kind
11 of tobacco in excess of the marketing quota for the farm
12 on which the tobacco is produced shall be subject to a
13 penalty of 40 per centum of the average market price (cal-
14 culated to the nearest whole cent) for such kind of tobacco
15 for the immediately preceding marketing year."

16 The amendment made by this section shall become
17 effective July 1, 1946, except that in the case of flue-cured
18 tobacco such amendment shall become effective May 1,
19 1947.

Passed the House of Representatives January 22, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

79TH CONGRESS H. R. 5135
2d SESSION

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended.

JANUARY 25 (legislative day, JANUARY 18), 1946
Read twice and referred to the Committee on Agriculture and Forestry

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE.
(Issued February 6, 1946, for actions of Tuesday, February 5, 1946)

(For staff of the Department only)

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HIGHLIGHTS: Senate committee reported bill increasing penalties for over-quota tobacco and giving Secretary right to reduce tobacco quotas. Senate committee reported (Feb. 4) appropriation-rescissions bill (same as vetoed bill so far as USDA is concerned). Sen. Willis criticized OPA's price-control administration and its effect on production. House received supplemental appropriation estimates of \$1,000,000 for water facilities and \$144,000 for spruce-budworm investigations, and request for \$25,000,000 increase in limitation for school-lunch program. Conferencees modified full-employment bill.

SENATE

1. A.A.A. TOBACCO. The Agriculture and Forestry Committee reported without amendment H.R. 5135, to amend the AAA Act so as to increase penalties for over-quota tobacco and to give the Secretary the right to reduce tobacco quotas (S.Rept. 921) (p. 890).
2. APPROPRIATION-RESCSSIONS BILL. The Appropriations Committee reported (Feb. 4) with amendment this bill, H.R. 5158 (S.Rept. 919) (p. 835). The bill is the same as the vetoed bill so far as this Department is concerned. (See Digest 13).
3. PRICE CONTROL. Sen. Willis, Ind., criticized OPA's price-control administration and discussed the effects of such controls on production (pp. 902-4).
4. F.E.P.C. Continued debate on S. 101, the FEPC bill (pp. 893-8, 904-15). During the debate Sen. Moore, Okla., inserted Daily Oklahoman editorials criticizing OPA's price-control administration (pp. 910-1).
5. U.S.E.S. Sen. Mead, N.Y., inserted a National Assn. for Advancement of Colored People's resolution favoring H.R. 4437, to return public employment offices to the States (p. 890).
6. NOMINATIONS. The Banking and Currency Committee reported favorably on the nominations of H.V. Jones, H.T. Bodman, and C.B. Henderson to be members of the RFC Board of Directors, and of Wilson W. Wyatt to be National Housing Adminis-

trator, and received the nomination of E.B. Gregory to be War Assets Administrator (p. 924).

7. FOREIGN RELIEF. Sen. Capehart, Ind., inserted his statement on the food problem and starvation conditions in Europe (pp. 898-902).

HOUSE

3. APPROPRIATIONS. Received from the President appropriation estimates (1947 budget amendments) for this Department of \$1,144,000, including \$1,000,000 for water facilities and \$144,000 for ES spruce bud-worm investigations, and an increase in limitation of \$25,000,000 for the school-lunch program (H.Doc. 452) (p. 967).

9. FULL-EMPLOYMENT BILL. Received the conference report on this bill, S. 380 (pp. 940-2). The new version of the bill is a substitute for the language of both the Senate bill and the House amendment. The bill declares that it is the policy and responsibility of the Government to use all practical means to promote free enterprise for the purpose of maintaining conditions under which there will be opportunity for "maximum employment." The term "full employment" is rejected. The term "all practical means" embraces public works but includes legislation. The terms "full," "guarantee," "assure," "investment," and "expenditure" do not occur in the conference agreement. It provides for the President to review economic conditions and submit his program. There is provision for three economic advisors to the President and for a joint Congressional committee. The section on interpretation is eliminated and the title of the bill changed to read as follows: "An act to declare a national policy on employment, production, and purchasing power, and for other purposes."

10. PRICES. Rep. Phillips, Calif., criticized the OPA ceiling prices on poultry and asked for an examination of OPA figures by the House Banking and Currency Committee (pp. 966-7).
Received a Ky. Legislature memorial urging a floor price for tobacco (p. 968).

11. LABOR. Continued debate on H.R. 4908, the fact-finding bill, and H.R. 5262, to provide additional facilities for the mediation of labor disputes (pp. 942-66). During the discussion Reps. Arends (Ill.) and Pace (Ga) discussed the position of the farmer in the current labor disputes and urged legislation to guarantee the farmer's right to take his produce to market without interference (p. 948).

12. POINT-OF-ORDER BILL. Both Houses received from the Interior Department a proposed bill to reenact and amend the organic act of the Geological Survey by incorporating therein substantive provisions for long-continued duties and functions and by redefining their geographic scope. To Mines and Mining Committees (pp. 889, 967).

13. PUBLIC WORKS. Received from the Federal Works Agency their sixth annual report, 1945. To Public Buildings and Grounds Committee. (p. 967.)

14. UNRRA. Received a Minn. Lutheran Synod petition urging extension of UNRRA to all occupied countries (p. 968).

BILLS INTRODUCED

15. FARM LABOR. H.R. 5367 (see Digest 16) includes a provision that no controversy shall be within the scope of the bill if it concerns employment of agricultural



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 79th CONGRESS, SECOND SESSION

Vol. 92

WASHINGTON, TUESDAY, FEBRUARY 5, 1946

No. 17

Senate

(Legislative day of Friday, January 18, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Most merciful God, whose throne standest steadfast and sure, even as on this our spinning habitation in the vastness men's hearts fail for fear, into Thy hands of love we commit ourselves and our troubled world. In this great day of our opportunity, Thou hast set us tasks which test all our courage, trust, and fidelity. May we be strong to do the things which need to be done and to put aside the things which are unworthy or belittling or base. Grant us vision to follow in faith Thy ways of love and truth until our lives become Thy revelation and Thy spirit touches into the beauty of holiness our thoughts and deeds. We ask it through riches of grace in Christ Jesus our Lord. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Chief Clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., February 5, 1946.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. JOHN H. BANKHEAD, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

KENNETH MCKELLAR,
President pro tempore.

Mr. BANKHEAD thereupon took the chair as Acting President pro tempore.

ATTENDANCE OF A SENATOR

EDWARD P. CARVILLE, a Senator from the State of Nevada, appeared in his seat today.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House

had passed without amendment the following bills of the Senate:

S. 102. An act to amend section 2 (b) of the act entitled "An act extending the classified executive civil service of the United States," approved November 26, 1940, so as to provide for counting military service of certain employees of the legislative branch in determining the eligibility of such employees for civil-service status under such act;

S. 765. An act concerning the establishment of meteorological observation stations in the Arctic region of the Western Hemisphere, for the purpose of improving the weather-forecasting service within the United States and on the civil international air transport routes from the United States;

S. 1467. An act to provide for adjustment between the proper appropriations of unpaid balances in the pay accounts of naval personnel on the last day of each fiscal year, and for other purposes;

S. 1545. An act to amend article 38 of the Articles for the Government of the Navy; and

S. 1631. An act to provide for the payment on a commuted basis of the costs of transportation of dependents of certain persons entitled to such transportation, and for other purposes.

The message also announced that the House had passed the bill (S. 50) to permit settlement of accounts of deceased officers and enlisted men of the Navy, Marine Corps, and Coast Guard, and of deceased commissioned officers of the Public Health Service, without administration of estates, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 1519. An act relating to marine insurance in the case of certain employees of the War Department who suffered death, injury, or other casualty prior to April 23, 1943, as a result of marine risks;

H. R. 2764. An act to amend section 409 of the Interstate Commerce Act with respect to the utilization by freight forwarders of the services of common carriers by motor vehicle;

H. R. 4605. An act to amend the Nationality Act of 1940, to preserve the nationality of naturalized veterans, their wives, minor children, and dependent parents;

H. R. 4896. An act to provide for payment of travel allowances and transportation and for transportation of dependents of members of the naval forces, and for other purposes; and

H. J. Res. 301. Joint resolution to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

TRANSACTION OF ROUTINE BUSINESS

Mr. EASTLAND obtained the floor.

The ACTING PRESIDENT pro tempore. Before the Senator proceeds, the Chair would like to lay before the Senate certain reports, and so forth, for appropriate reference, and there is other routine business which, if there is no objection, might be transacted at this time.

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SPECIAL ASSISTANTS, DEPARTMENT OF JUSTICE

A letter from the Attorney General, transmitting, pursuant to law, a report showing the special assistants employed during the period from July 1 to December 31, 1945, under the appropriation "Compensation of special attorneys, etc., Department of Justice" (with an accompanying report); to the Committee on the Judiciary.

AMENDMENT OF ORGANIC ACT OF THE UNITED STATES GEOLOGICAL SURVEY

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to reenact and amend the Organic Act of the United States Geological Survey by incorporating therein substantive provisions confirming the exercise of long-continued duties and functions and by redefining their geographic scope (with an accompanying paper); to the Committee on Mines and Mining.

REPORT ON GOVERNMENT-OWNED SHIPYARDS AND FACILITIES

A letter from the Administrator of the Surplus Property Administration, transmitting, pursuant to law, a report with respect to Government-owned shipyards and facilities (with an accompanying report); to the Committee on Military Affairs.

FAIR EMPLOYMENT PRACTICE COMMITTEE—TELEGRAM FROM DIALECTIC SENATE OF NORTH CAROLINA UNIVERSITY

Mr. MEAD. Mr. President, I have received a telegram from the Dialectic Sen-

ate of the University of North Carolina, which reads as follows:

CHAPEL HILL, N. C., February 4, 1946.

SENATOR JAMES M. MEAD,
United States Senate Office Building,
Washington, D. C.:

Dialectic Senate of University of North Carolina voted overwhelmingly to condemn current Senate filibuster, and urge you to do all possible to bring FEPC to a vote now.

GLORIA CHAPMAN, Clerk.

The ACTING PRESIDENT pro tempore. Without objection, the telegram will be received and lie on the table.

DISTRICT OF COLUMBIA REPRESENTATION IN CONGRESS

Mr. MEAD. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD a resolution adopted by the District of Columbia Branch of the National Association for the Advancement of Colored People, favoring the enactment of the so-called Sumners-Capper resolution, Senate Joint Resolution 9, proposing an amendment to the Constitution of the United States empowering Congress to grant to the people of the District of Columbia representation in the Congress and among the electors of President and Vice President.

There being no objection, the resolution was received, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas citizenship in our democracy endows each individual with rights and duties, among them the duty to participate in the conduct of our Government; and

Whereas the selection of public officers of our democracy by popular vote is one of the fundamental rights of every competent individual in our democracy; and

Whereas the denial of this right to the residents of the District of Columbia defeats the spirit and purpose of the Declaration of Independence and the Constitution of these United States: Therefore be it

Resolved, That the District of Columbia Branch of the National Association for the Advancement of Colored People heartily endorses the Sumners-Capper resolution, Senate Joint Resolution 9, which proposes an amendment to the Constitution of the United States empowering Congress to grant to the people of the District of Columbia representation in the Congress and among the electors of President and Vice President.

RETURN OF PUBLIC EMPLOYMENT OFFICES TO STATE OPERATION

Mr. MEAD. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the District of Columbia Branch of the National Association for the Advancement of Colored People at the Asbury Methodist Church, Washington, D. C., on January 27, 1946, favoring the enactment of the so-called Ramspeck bill, which is House bill 4437, to provide for the return of public employment offices to State operation, to amend the act of Congress approved June 6, 1933, and for other purposes.

There being no objection, the resolution was received, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

Whereas Federal control of the United States Employment Service is part of our national program of reconversion; and

Whereas uniform practices in employment throughout the country serve to make full use of our available labor supply and aid our efforts for full production in peacetime economy; and

Whereas the President of the United States has asked Congress to continue Federal control of the United States Employment Service until July 1947: Therefore be it

Resolved, That the District of Columbia Branch of the National Association for the Advancement of Colored People endorses the Ramspeck bill, H. R. 4437, and urges its enactment into law.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOEY, from the Committee on Agriculture and Forestry:

H. R. 5135. A bill to amend the Agricultural Adjustment Act of 1938, as amended; without amendment (Rept. No. 921).

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

S. 1535. A bill to authorize the Secretary of War to convey certain lands situated within

the Fort Douglas Military Reservation to the Shriners' Hospitals for Crippled Children; with amendments (Rept. No. 922).

By Mr. HATCH, from the Committee on the Judiciary:

S. 1163. A bill to provide for the appointment of two additional district judges for the northern district of California; with amendments (Rept. No. 923).

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The ACTING PRESIDENT pro tempore laid before the Senate a report for the month of January 1946, from the chairman of the Appropriations Committee, in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which was ordered to lie on the table and to be printed in the RECORD, as follows:

APPROPRIATIONS

FEBRUARY 2, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the name of a person employed by the committee

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Mrs. Mamie L. Mizen.....	1434 Saratoga Ave.....	District of Columbia government.....	\$3,970

KENNETH MCKELLAR, Acting Chairman.

(4) The use of any other means or influence (including the promise or use of patronage) for the purpose of aiding or influencing the nomination or election of any such candidate; and

(5) Such other matters relating to the election of United States Senators in 1946, and the campaigns of candidates in connection therewith, as the committee deems to be of public interest, and which in its opinion will aid the Senate in enacting remedial legislation or in deciding any contests that may be instituted involving the right to a seat in the Senate.

Sec. 2. The committee is authorized to act upon its own motion and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made to the committee, under oath, by any person, candidate, or political committee, setting forth allegations as to facts which, under this resolution it would be the duty of said committee to investigate, the committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in such complaint are immaterial or untrue. All hearings before the committee, and before any duly authorized subcommittee thereof, shall be public, and all orders and decisions of the committee, and of any such subcommittee, shall be public.

Sec. 3. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such public hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-ninth Congress, to employ such attorneys, experts, clerical and other assistants, to require by subpnea or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be

INVESTIGATION OF SENATORIAL PRIMARIES AND ELECTIONS

Mr. GREEN submitted the following resolution (S. Res. 224), which was referred to the Committee on Privileges and Elections:

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, from States in which no Senator is to be elected at the general election in 1946, is hereby authorized and directed to make a full and complete investigation with respect to—

(1) The extent and nature of the expenditures made by all candidates for the office of United States Senator in 1946 in connection with their campaigns for nomination and election to such office;

(2) The amounts subscribed and contributed, and the value of services rendered and facilities made available (including personal services, and the use of billboards and other advertising space, radio time, office space, moving-picture films, and automobiles and other transportation facilities), by any individual, group of individuals, partnership, association, or corporation to or on behalf of each such candidate in connection with any such campaign, or for the purpose of influencing the votes cast or to be cast at any primary or general election, or at any convention, held in 1946, at which a candidate for United States Senator is to be nominated or elected;

(3) The expenditure of funds appropriated by the Congress with a view to determining whether any such funds have been or are being expended by any department, independent agency, or instrumentality of the United States, by any State or political subdivision thereof, or by any instrumentality of any State or political subdivision thereof, in such a manner as to influence the votes cast or to be cast for any such candidate at any such primary or general election or convention;

Calendar No. 932

79TH CONGRESS }
2d Session }

SENATE

{ REPORT
No. 921

AMENDING THE AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

FEBRUARY 5 (legislative day, JANUARY 18), 1946.—Ordered to be printed

Mr. HOEY, from the Committee on Agriculture and Forestry,
submitted the following

REPORT

[To accompany H. R. 5135]

The Committee on Agriculture and Forestry, to whom was referred the bill (H. R. 5135) to amend the Agricultural Adjustment Act of 1938, as amended, having considered same, report thereon with the recommendation that it do pass, without amendment.

This bill has been considered by the House Committee on Agriculture and on January 18, 1946, that committee submitted its report (H. Rept. No. 1476) to the House recommending its passage, and on January 22, 1946, it passed the House. Said House Report No. 1476 containing all the facts concerning this proposed legislation is attached hereto and made a part of this report, as follows:

The Committee on Agriculture, to whom was referred the bill (H. R. 5135) to amend the Agricultural Adjustment Act of 1938, as amended, having considered the same, report thereon with a recommendation that it do pass, without amendment.

STATEMENT

This bill amends sections 312, 313, and 314 of the Agricultural Adjustment Act of 1938, as amended, first, by authorizing the Secretary of Agriculture to decrease the national quota and State and farm acreage allotments for the 1946 crop of burley tobacco so as to prevent accumulation of surplus supplies; second, it authorizes the proclamation of national marketing quotas for the 1947 crop of burley and flue-cured tobacco and the holding of referenda to determine whether growers favor quotas even though the supply of burley or flue-cured tobacco is less than the reserve supply level; and third, it changes the rate of penalty applicable to tobacco marketed in excess of farm marketing quotas.

AUTHORIZATION TO REDUCE THE BURLEY QUOTA FOR THE 1946 CROP

Under sections 312 and 313 of the Agricultural Adjustment Act of 1938, as amended, the Secretary of Agriculture is required to proclaim a national marketing quota and to establish State and farm acreage allotments for burley tobacco of the 1946 crop slightly above the 1945 level. The Secretary of Agriculture has acted in accordance with these provisions of law. Since the end of the war a

sharp reduction in demand for tobacco products and leaf tobacco has occurred for the domestic market. It now is obvious that continued production of burley tobacco at the levels allowed under marketing quotas authorized for 1946 will result in the accumulation of a burdensome supply of burley tobacco. This situation has been recognized by the Department of Agriculture in its recommendation of a production goal for burley tobacco in 1946 at least 10 percent below that grown in 1945. The recent sharp decline in prices of burley tobacco reflects clearly the existence of a surplus supply. When the markets opened in early December, prices for burley tobacco were at ceilings established by the Office of Price Administration. Recently, prices have declined to such an extent that substantial quantities of tobacco are being placed under Government loan at support prices equal to 90 percent of parity. Total production of burley tobacco from the 1944 and 1945 crops exceeded disappearance by approximately 265,000,000 pounds. This tobacco has been placed in stocks which now are slightly above normal levels. A crop in 1946 as large as that in 1945 will create a large surplus supply with consequent depression of prices and severe losses to growers.

Under existing legislation the Secretary of Agriculture cannot decrease burley tobacco quotas and allotments. The bill provides that the Secretary of Agriculture shall reduce the national quota and State and farm acreage allotments for the 1946 crop of burley tobacco and thereby prevent accumulation of surplus supplies. From preliminary analysis of the situation it is contemplated that quotas and allotments for the 1946 crop will not need to be reduced more than 20 percent below those for 1945. The following table shows the production, carry-over, total supply, and disappearance for burley tobacco for the years 1942 and 1945.

Burley tobacco: Production, carry-over, total supply, and disappearance, 1942-45

[Million pounds]

Year	Production	Carry-over Oct. 1	Total supply	Disappearance
1942	343.5	755.3	1,098.8	412.8
1943	391.4	686.0	1,077.4	426.2
1944	591.5	651.2	1,242.7	483.7
1945	603.4	759.0	1,362.4	450-475

Burley tobacco production rose from a level slightly in excess of 300,000,000 pounds in 1942 to more than 600,000,000 pounds in 1945. At the same time, the total supply increased from a level around 1,100,000,000 pounds to 1,362,000,000 pounds. During the same period, disappearance increased from a level slightly in excess of 400,000,000 pounds to a peak of 484,000,000 pounds in 1944-45 and it is estimated that disappearance will be reduced to a level of 450 to 475 million pounds in 1945-46.

In connection with the reduction of the burley farm allotments for the 1946 crop, provision is made that the reduction for all previously established allotments of 1 acre or less cannot exceed 10 percent. This means that all allotments of 0.6 acre to 1 acre can be reduced by 0.1 acre and that allotments of 0.5 acre or less cannot be reduced. There now are approximately 275,000 farms having burley tobacco allotments. Of these, approximately 120,000 farms have allotments of 1 acre or less. The total burley allotment now is slightly over 600,000 acres. Of this total, slightly less than 120,000 acres is allotted to farmers with allotments of 1 acre or less. The burden on larger farms in making contemplated adjustments is heavier to the extent that it is not shared by the smaller farms, but this protection for the smaller farms is consistent with policies established under previous legislation.

PROCLAMATION OF QUOTA AND REFERENDUM FOR THE 1947 CROP

The bill requires the Secretary to proclaim a national-marketing quota for burley and flue-cured tobacco of the 1947 crop, which in turn would require the holding of a referendum for each kind of tobacco to determine whether growers favor marketing quotas. It is likely that a quota could be proclaimed and a referendum held for burley tobacco without this amendment. The supply situation for flue-cured tobacco, however, is such that it is doubtful whether this could be done under existing provisions of law. Therefore, it is considered advisable to take

action now which will definitely provide for proclamation of the quota and holding of the referendum. If growers should approve quotas after the 1946 crop, quotas and allotments would be established in accordance with the applicable provisions of sections 312 and 313 of the act. Both flue-cured and burley growers produced record quantities of tobacco to meet wartime needs. Burley tobacco is consumed almost entirely in the United States and the need for reduced production in 1946 is apparent as indicated above. Large quantities of flue-cured tobacco are exported and during the war foreign stocks of flue-cured tobacco were exhausted or seriously depleted. Supplies on hand in this country are inadequate to satisfy needs in foreign countries which normally buy United States flue-cured tobacco. Recognizing this situation, the Secretary of Agriculture recently increased the marketing quota for flue-cured tobacco of the 1946 crop by 10 percent over the quota for the 1945 crop. This contemplates the largest crop of flue-cured tobacco ever grown—a crop 250 to 300 million pounds above estimated annual world consumption. In 1947 it likely will be necessary to reduce this level of production to protect growers from surplus supplies. This reduction cannot be expected in time to prevent disastrously low prices to growers unless quotas are used. Therefore, it seems wise and only fair that growers should have as much protection as possible against the unpredictable factors in the years immediately ahead. Direction to the Secretary of Agriculture to proclaim a quota and hold a referendum gives growers the right to decide whether they want to use the protection afforded by the marketing-quota program.

CHANGE OF PENALTY RATES

Under present provisions of law the penalty on marketing of tobacco in excess of farm quotas is 10 cents per pound in the case of flue-cured, burley, and Maryland tobacco and 5 cents per pound in the case of other kinds of tobacco. When these penalty rates were fixed, they amounted to approximately 50 percent of the average market price of each kind of tobacco. With the increase in the general price level since these rates were fixed, accompanied by corresponding increases in the price of tobacco, these penalty rates now amount to less than one-fourth of recent prices. The bill provides that the penalty rate for each marketing year be changed to equal 50 percent of the average market price for each kind of tobacco in the immediately preceding marketing year (that is, the season average market price for each kind of tobacco published by the Bureau of Agricultural Economics of the United States Department of Agriculture). This change is consistent with the Agricultural Adjustment Act of 1938, as originally enacted, which fixed the penalty at 50 percent of the gross price received by the farmer for his tobacco. It differs only in that it gives a predetermined flat rate of penalty which is desirable for administrative reasons and which also makes it possible for farmers to know in advance what the penalty rate will be.

FARMER VIEWS

Farm leaders throughout the tobacco area and large groups of farmers in mass meetings have urged that the three changes provided in this bill be made. They have expressed the view that tobacco programs have been effective in helping farmers and that these changes will aid in continued successful operation of the tobacco program.

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes made by the bill are shown as follows (existing law proposed to be omitted is enclosed by black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

[PUBLIC LAW 118, 78TH CONG., AS AMENDED]

“* * * notwithstanding the provisions of section 312 (a) of the Agricultural Adjustment Act of 1938, as amended, relating to the finding of the total supply of tobacco, the reserve supply level and the amount of the national marketing quota, and the provisions of section 313 of said Act relating to the apportionment of the national marketing quota for tobacco among the States and farms, national marketing quotas for burley and flue-cured tobacco for the marketing years 1944 and 1945, 1945 and 1946, [and 1946 and 1947 shall be proclaimed and the national marketing quotas and State and farm acreage allotments shall be the same as for the preceding year: *Provided, however,* That an additional acreage not in excess of 2 per centum of the total acreage allotted to all farms in each State in 1940 shall be allotted in accordance with the applicable provisions of subsection (a) of section 313 and an additional acreage equal to not more than 5 per centum

of the national marketing quota shall be allotted to farms on which no tobacco was produced in the last five years in accordance with the provisions of subsection (g) of section 313.] 1946 and 1947 and 1947 and 1948 shall be proclaimed and the national marketing quota proclaimed by the Secretary and the State and farm acreage allotments established pursuant to the proclaimed national quota for Burley tobacco for the 1946 and 1947 marketing year shall be reduced uniformly so as to make available a supply of Burley tobacco for such marketing year not less than the reserve supply level: Provided, That no allotment of one acre or less shall be reduced by more than 10 per centum. This joint resolution shall not have the effect of modifying or repealing any other provision of said Act."

[PUBLIC LAW 430, 75TH CONG.]

* * * * *

"SEC. 314. (a) [The marketing of any tobacco in excess of the marketing quota for the farm on which the tobacco is produced shall be subject to a penalty of 10 cents per pound in the case of flue-cured Maryland or burley tobacco and 5 cents per pound in the case of all other kinds of tobacco.] The marketing of any kind of tobacco in excess of the marketing quota for the farm on which the tobacco is produced shall be subject to a penalty of 50 per centum of the average market price (calculated to the nearest whole cent) for such kind of tobacco for the immediately preceding marketing year. Such penalty shall be paid by the person who acquires such tobacco from the producer but an amount equivalent to the penalty may be deducted by the buyer from the price paid to the producer in case such tobacco is marketed by sale; or, if the tobacco is marketed by the producer through a warehouseman or other agent, such penalty shall be paid by such warehouseman or agent who may deduct an amount equivalent to the penalty from the price paid to the producer: Provided, That in case any tobacco is marketed directly to any person outside the United States the penalty shall be paid and remitted by the producer. If any producer falsely identifies or fails to account for the disposition of any tobacco, an amount of tobacco equal to the normal yield of the number of acres harvested in excess of the farm acreage allotment shall be deemed to have been marketed in excess of the marketing quota for the farm, and the penalty in respect thereof shall be paid and remitted by the producer. Tobacco carried over by the producer thereof from one marketing year to another may be marketed without payment of the penalty imposed by this section if the total amount of tobacco available for marketing from the farm in the marketing year from which the tobacco is carried over did not exceed the farm marketing quota established for the farm for such marketing year (or which would have been established if marketing quotas had been in effect for such marketing year), or if the tobacco so carried over does not exceed the normal production of that number of acres by which the harvested acreage of tobacco in the calendar year in which the marketing year begins is less than the farm-acreage allotment. Tobacco produced in a calendar year in which marketing quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though it is marketed prior to the date on which such marketing year begins."



Calendar No. 932

79TH CONGRESS
2^D SESSION

H. R. 5135

[Report No. 921]

IN THE SENATE OF THE UNITED STATES

JANUARY 25 (legislative day, JANUARY 18), 1946

Read twice and referred to the Committee on Agriculture and Forestry

FEBRUARY 5 (legislative day, JANUARY 18), 1946

Reported by Mr. HOER, without amendment

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That Public Law Numbered 118, Seventy-eighth Congress,
4 as amended by Public Law Numbered 276, Seventy-eighth
5 Congress, is amended by striking out all of the first sentence
6 therein following the words "marketing years 1944-45,
7 1945-46" and inserting in lieu thereof the following: "1946-
8 47 and 1947-48 shall be proclaimed and the national market-
9 ing quota proclaimed by the Secretary and the State and
10 farm acreage allotments established pursuant to the pro-
11 claimed national quota for burley tobacco for the 1946-47

1 marketing year shall be reduced uniformly so as to make
2 available a supply of burley tobacco for such marketing year
3 not less than the reserve supply level: *Provided*, That no
4 allotment of one acre or less shall be reduced by more than
5 10 per centum."

6 The amendment made by this section shall not apply to
7 flue-cured tobacco for the 1946-47 marketing year.

8 SEC. 2. The first sentence of section 314 (a) of the
9 Agricultural Adjustment Act of 1938, as amended, is hereby
10 amended to read as follows: "The marketing of any kind
11 of tobacco in excess of the marketing quota for the farm
12 on which the tobacco is produced shall be subject to a
13 penalty of 40 per centum of the average market price (cal-
14 culated to the nearest whole cent) for such kind of tobacco
15 for the immediately preceding marketing year."

16 The amendment made by this section shall become
17 effective July 1, 1946, except that in the case of flue-cured
18 tobacco such amendment shall become effective May 1,
19 1947.

Passed the House of Representatives January 22, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

79TH CONGRESS H. R. 5135
2D SESSION

[Report No. 921]

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended.

JANUARY 25 (legislative day, JANUARY 18), 1946
Read twice and referred to the Committee on Agriculture and Forestry

FEBRUARY 5 (legislative day, JANUARY 18), 1946
Reported without amendment



DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued February 11, 1946, for actions of Fri., Feb. 8, 1946, and Sat., Feb. 9, 1946)

(For staff of the Department only)

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HIGHLIGHTS: Senate passed appropriation-rescissions bill (same as vetoed bill so far as USDA is concerned). Senate passed bill increasing penalties for over-quota tobacco and authorizing reduction in tobacco quotas. Senate agreed to full-employment bill conference report. Rep. Rees and Carlson discussed President's wheat conservation order, stating that it has not had sufficient study and people should have been informed earlier. Rep. Hoffman urged that more fertilizer be made available for farmers.

SENATE - February 8

1. APPROPRIATION-RESCSSIONS BILL. Passed as reported this bill, H.R. 5158 (p. 1181). (This bill is same as vetoed bill so far as this Department is concerned.)
2. A.A.A; TOBACCO. Passed without amendment H.R. 5135, to amend the AAAAct so as to increase penalties for over-quota tobacco and to authorize the Secretary to reduce tobacco quotas (pp. 1172-3). This bill will now be sent to the President.
3. FULL-EMPLOYMENT BILL. Agreed to the conference report on this bill, S. 380, to declare a national policy on employment, production, and purchasing power (pp. 1162-72). This bill will now be sent to the President.
4. FORESTRY; INSECT CONTROL. Received from this Department proposed legislation to provide for the protection of forests against destructive insects and diseases. To Agriculture and Forestry Committee. (p. 1145.)
5. F.E.P.C. Continued debate on S. 101, the FEP'C bill (pp. 1147, 1157-62, 1172-84, 1187).
6. INDEPENDENT OFFICES APPROPRIATION BILL. This bill, H.R. 5201, as reported by the Senate Committee (see Digest 19) increases the item for salaries and expenses

of the Budget Bureau by \$413,089 but eliminates the \$184,986 for maintenance and operation of the 4 existing field offices of the Budget Bureau and prohibits use of the Budget Bureau's appropriations for regional, field, or other outside offices.

7. WHEAT SUPPLY. Sens. Capper (Kans.), Langer (N.Dak.), and Wheeler (Mont.) inserted National Federation of Grain Cooperatives statements criticizing handling of the present wheat supply (pp. 1145-6).
Sen. Wherry, Nebr., inserted Christine Sadler's Washington Post article, "Relief Wheat Commitment for Europe Actually Cut - Food Authorities Consider Return to Meat Rationing as Unnecessary" (pp. 1148-9).

8. FOREIGN RELIEF. Sen. Wherry, Nebr., inserted a Budapest article, "Hungary's Premier Appeals for Help in Feeding People" (p. 1149).

9. FOOD RATIONING. Sen. Wherry, Nebr., inserted an AP article quoting Alf H. Landon as stating that the President's informal food-rationing order is a direct result of the "cruel and inhuman Morgenthau plan for treatment of Germany" (p. 1149).

10. LUMBER EXPORTS. Sen. Knowland, Calif., criticized lumber exports in view of the need for veterans' housing (pp. 1186-7).

11. SURPLUS PROPERTY; VETERANS. Received a Veterans' Cooperative Housing Association resolution favoring S.J. Res. 132, to clarify the Surplus Property Act relative to the sale of defense housing to veterans (p. 1145).

12. NOMINATIONS. The Banking and Currency Committee reported favorably on the nomination of G.E. Allen to be a member of the RFC Board of Directors and confirmed the nomination of H.A. Mulligan to be a member of that board (pp. 1187, 1188).

SENATE - February 9

13. WHEAT-BREAD PROGRAM. Sen. Hatch, N.H., criticized a story that a high USDA official has objected to the recent bread order (pp. 1234-5).

14. F.E.P.C. Rejected, 48-36, a motion for cloture in connection with debate on S. 101, the FEPC bill (pp. 1221-46). The Senate then agreed, 71-12, to a motion by Sen. Chavez, N.Mex., to take up H.R. 5201, the independent offices appropriation bill (p. 1247).

15. ADJOURNED until Wed., Feb. 13 (p. 1248). Committees were authorized to submit reports during the recess (p. 1247).

HOUSE - February 8

16. WHEAT SITUATION. Reps. Rees and Carlson (Kans.) discussed the President's wheat conservation order, stating that it was issued without thorough study and the people should have been informed of the shortage sooner (pp. 1208-9).

17. FERTILIZER. Rep. Hoffman, Mich., urged that a greater supply of fertilizer be made available to the farmers and inserted a constituent's letter reporting cancellation of fertilizer orders (pp. 1209-10).

18. PERSONNEL; POLITICAL ACTIVITIES. Passed with amendments H.R. 1118, to amend the Hatch Political Activities Act by providing less severe penalties for violation (pp. 1203-6).

The budgetary program and the general program of the Government are actually inseparable. The budget is the annual work program of the Government.

With the enactment of this legislation, the coordinating function of the Budget Bureau must be developed still further. Unless this is done, the President will be unable to perform the task assigned him by the bill.

Fourth. Program offices should be established in all the various agencies.

The planning function should be decentralized as widely as possible throughout the various agencies, departments, and commissions. In this way, the full employment program can be planned with the full participation of specialized experts in every branch of the Federal Government. This would also contribute to keeping the size of the central staff to a minimum and to carrying out the intent of section 4 (e) (2), which calls for fully utilizing the services of other Government agencies.

Fifth. There should be more effective use of interdepartmental committees to handle problems that cut across agency lines.

Very effective work has been done in recent months through the Interdepartmental Committee on Foreign Economic Relations, which was organized by the State Department. Similar committees might well be established to deal with the complicated interagency problems involved in fiscal policy, monopoly regulation, construction and capital investment, development of underdeveloped areas, public welfare, and similar matters.

Sixth. Funds should be available for research work by State and local planning boards, universities, and similar agencies.

The Federal Government should not try to do all the research. Significant contributions to a full employment policy can be made by planning boards, universities, and research institutions throughout the country. Section 4 (e) (2) of the bill specifically calls for an effort in this direction. This section should be implemented by adequate appropriations.

Seventh, a complete economic statistic program is essential.

It would be a sad mistake to think that the only statistical information needed in the preparation of the economic report is data on employment, production, and purchasing power. Nothing less than a complete program of economic statistics—covering prices, profits, wages, productivity, and so forth—will meet the need. This means central statistical planning, along the lines already established under the Federal Reports Act, to first, fill in the gaps; second, adjust the time lags; third, analyze and interpret the data; fourth, make full use of non-government sources; fifth, establish statistical standards; and sixth, keep reports and questionnaires to a minimum.

Eighth, special attention should be given to the question of Federal-State-local relationships.

The policies of States and local governments have an important role to play in our full employment program. This matter has been seriously neglected in

the past. The successful administration of this act calls for a serious and concerted approach toward coordinating the taxation and expenditure programs of State and local governments, toward eliminating interstate trade barriers and toward developing grass roots planning throughout the country.

Ninth, and last, there must be provision for coordinated administration and continuous check-up on progress.

Legislative and executive policies have repeatedly been frustrated through ineffective administration. In many cases, moreover, the President has no means of knowing in what manner important programs are being carried out. Accordingly, it is essential that major attention be given to obtaining accurate reports of what is really going on throughout the executive establishment, and to achieving the full coordination of executive activities.

CONGRESSIONAL ADMINISTRATION OF THE EMPLOYMENT ACT

From the day this legislation was first introduced, the provision for a joint congressional committee to analyze the President's over-all program has been hailed as a distinct contribution to the improvement of congressional operations.

There is general agreement that such a committee could be extremely helpful in coordinating the separate and diverse activities of the many committees in the Senate and the House of Representatives. For example, let me quote from the Senate Banking Committee's minority report on the full employment bill:

We believe there should be such a joint committee studying the effect of proposed legislation on economic stability. We question somewhat whether the standing committees will pay much attention to the report of the joint committee, but it should be helpful by revealing to these committees and the individual Members of the Senate the relationship of this measure to an over-all economic program.

Accordingly, we must take great care to establish this joint committee on sound principles.

First of all, careful consideration should be given to the idea of having the chairmanship and the vice chairmanship of the joint committee held by the majority leader of the Senate and the majority leader of the House of Representatives.

Let us not forget the fact that this joint committee is to serve as an economic policy committee. Its chairman and vice chairman, therefore, might well be those Members of Congress who are responsible for over-all policy. If any other Members of the Congress were selected as chairman and vice chairman of the joint committee and if they succeeded in discharging their duties successfully, then they might find themselves, in large part, performing certain functions of majority leadership.

For the same reason, the leaders of the minority party in both Houses might well serve as the ranking minority members of the joint committee.

Second, the joint committee should submit regular reports on the progress of the full employment program in Congress.

Both the general public and Members of the Congress themselves need regular information on the status of the various measures that make up the President's full employment program. This information should be provided in a regular report of the joint committee explaining the status of each proposal and indicating what changes, if any, have been made by the various committees and Houses of Congress.

Third, the members of the Joint Committee on the Economic Report should limit their activities on other committees.

Effective work by congressional committees becomes impossible when individual Members have too many committee assignments. In view of the importance of the Joint Committee on the Economic Report, therefore, the members of the joint committee should limit their activities on other committees. Since committee assignments in the Senate are much heavier than in the House of Representatives, this applies particularly to the Senate.

Fourth, more rapid progress is needed toward the general improvement of congressional organization.

The successful operation of the joint committee would be merely a first step in the improved organization of the Congress. It cannot be regarded as a substitute for more adequate staffing in our legislative committees, for closer cooperation between committees dealing with related topics, for closer relationships between the two Houses, and for the many other fundamental improvements.

I am looking forward with great anticipation to the forthcoming report of the Joint Committee on the Organization of Congress, headed by the distinguished Senator from Wisconsin [MR. LA FOLLETTE]. It is my earnest hope that this report will be acted upon, not merely filed away for future study. Unless we achieve a comprehensive strengthening of the Congress, I see little hope that the legislative branch of our Government will be able to do its part in maintaining an economy of full production and full employment.

THE NEED FOR PUBLIC SUPPORT

But even with the most effective planning within the executive branch, even with the most effective operations by the Joint Committee on the Economic Report, there is no guaranty that the Congress will make the correct decisions.

The Members of Congress are the representatives of the American people. The wisdom of their decisions, therefore, will depend on how well the American people understand the economic problems facing our country and how effectively they take a position on these matters and present their views to their elected representatives in the Congress. If the American people fail to take a strong position back of this program and demand that this act be effectively enforced, it will become dormant and useless to carry our country through the dangerous days ahead. But if this legislation is given wholehearted support, it will provide a firm foundation upon which we may go forward to a golden age of full employment and prosperity. It will become the framework within which

industry, agriculture, labor, State and local governments, and the Federal Government can work together to translate into a living reality our hopes and plans for a stronger and better America.

Mr. President, millions of our citizens have high hopes for the success of this program. The future of our system of free enterprise depends upon its capacity with the cooperation of our Government to build an economy of full production, employment and prosperity for the American people.

I urge that those who in the past have declared that full employment is a policy foreign to our system of Government and cannot be maintained under our system, to set aside their doubts and join with the sponsors of this legislation in an all-out effort to preserve our country from a major depression 5 or 6 years hence.

Let us provide for all our people the opportunity and security that is their rightful heritage as Americans.

Mr. RADCLIFFE. Mr. President, I rise to express the hope and wish that the pending conference report will be agreed to. It represents the beneficial results of much careful study.

A few moments ago the Senator from Ohio [Mr. TAFT] stated that in the beginning of the so-called full-employment legislation I was one of those who felt that the bill, as originally drafted, should be modified. Such was the case, as I thought that substantial changes should be made in it. I was and am heartily in favor of doing everything which will help to promote employment and production by sound and reasonable methods, but I felt that there was language in the bill which probably would attempt to commit us to a program which we could not succeed in following out in a spirit of wisdom, and that the language in various respects was unfortunately chosen. I suggested various amendments, some of which were adopted in committee and on the floor. The language of one amendment I submitted which was opposed in committee and on the floor of the Senate was to the effect that whatever the Federal Government did in attempting to promote employment should be consistent with its needs and obligations, and other essential considerations of national policy. In other words, the Government should, in formulating its policies, consider each phase of the problem on its intrinsic merits as of the moment and judge accordingly in a true sense of proportion. The actual language itself is not important, but I am very glad that that is its underlying idea, and in fact my phrasology has been embodied in the conference agreement and is now before us. I think the amendment gives us a much better balanced situation and sets forth a true sense of relative values.

The bill has been studied very carefully throughout its various phases of legislative procedure. An unusual amount of time has been devoted to it; I believe that we have at last evolved a measure which will be satisfactory. It has been accepted unanimously by the conferees of both Houses of Congress, of which I was one, and is now before the Senate for action. I am confident that this measure will in its operation be help-

ful to labor, to industry, and to the country as a whole. I certainly trust that the conference report will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

QUOTAS ON BURLEY TOBACCO

Mr. BARKLEY. Mr. President, is the Senator from North Carolina [Mr. HOEY] in the Chamber? There is a bill on the calendar in which he is interested.

Mr. ELLENDER. Mr. President, I have the floor.

Mr. BARKLEY. I beg the Senator's pardon. I wanted him to yield to me for a moment.

The PRESIDING OFFICER. The Senator from Louisiana has the floor. Does the Senator yield to the Senator from Kentucky?

Mr. ELLENDER. I had agreed to yield to the Senator from Alabama [Mr. BANKHEAD].

Mr. BARKLEY. The Senator from Alabama wishes to address the Senate. I think I can dispose of this bill in 5 minutes. I wish to go to the Pearl Harbor Committee as soon as possible.

Mr. BANKHEAD. The Senator has taken a great deal of time since he first told me about that committee.

The PRESIDING OFFICER. To whom does the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Alabama.

Mr. BANKHEAD. Mr. President, I will waive my opportunity in favor of the Senator from Kentucky.

Mr. ELLENDER. If that may be done with the understanding that my rights will not be jeopardized.

The PRESIDING OFFICER. With the understanding that the Senator from Louisiana does not lose the floor, the Senator from Kentucky may proceed.

Mr. BARKLEY. Mr. President, House bill 5135, to amend the Agricultural Adjustment Act of 1938, as amended, was unanimously reported in the House by the Committee on Agriculture, and passed without objection in the House. Full hearings were held on it before the Senate Committee on Agriculture and Forestry, and it was unanimously reported to the Senate and is now on the calendar. I ask that I may call it up at this time only because of the urgency of it. It is a bill which affects the production of burley tobacco for the crop year of 1946. I may say that two or three weeks ago representatives of all the tobacco organizations from all the tobacco-growing States met in Washington in consultation with the Department of Agriculture, and agreed on this proposed legislation.

Mr. MCKELLAR. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MCKELLAR. Does the Senator mean the producers' organizations?

Mr. BARKLEY. Yes; the producers' organizations, the American Farm Bureau Federation, the Grange, the Department of Agriculture, and all the Members of the House of Representa-

tives representing tobacco-growing States.

The reason for the bill is very simple. During the war there was an increase in consumption of tobacco for cigarette purposes, which resulted in an increase in the price of tobacco. Of course, labor costs also went up.

The total crop of burley tobacco for 1945 amounted to 603,000,000 pounds. The market ordinarily opens the 1st of December, and when it opened last December the average price of burley tobacco in the State of Virginia was \$52 a hundred. In Kentucky it was \$48 or \$50 a hundred but immediately, when it was discovered that there was a surplus as a result of the enormous production of 1945, the price began to slip, until it went from \$48 or \$50 a hundred down to a level between \$25 and \$30.

The only way to remedy that situation for this year's crop is to bring about a reduction in the quotas. Under an amendment to the Agricultural Adjustment Act the burley tobacco growers, the flue-cured-tobacco growers, and others voted for a quota system. It must be submitted to the growers, and they must vote for it by a vote of 75 percent. However, the election will not be held until next November. That would affect the crop of the following year. Nothing but the legislation which this bill proposes can result in a reduction of the quotas on that particular type of tobacco for 1946.

The bill would authorize the Secretary of Agriculture to reduce the quota for burley tobacco by 10 percent for 1946, and also authorize him to increase the penalty for overproduction on the part of any grower. The present law provides a penalty of 10 cents a pound. When tobacco was selling at 20 cents a pound, that represented 50 percent of its value as a penalty against overproduction. With present prices, the quota system which had been voted by the farmers is nullified.

The bill would amend the law so as to provide for a 40-percent parity, instead of a penalty of 10 cents a pound. That is satisfactory to the farmers. They have all endorsed it. The reason why it is necessary to act on the matter now is that farmers are now burning their beds to sow the seed for the production of plants which will be replanted in the spring, and they must know in advance what will be done with respect to quotas before they go too far with their crops.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHITE. Someone has indicated to me that the bill comes before us with a unanimous report from the Committee on Agriculture and Forestry. Can the Senator confirm that statement?

Mr. BARKLEY. That is true. The same situation was true in the House. It was unanimously reported. It passed the House on the 22d of January without opposition. We had a full day's hearing before the Committee on Agriculture and Forestry in the Senate. The bill was unanimously reported from that committee, and is now on the calendar with the unanimous endorsement of the committees of both Houses. The tobacco-

growing organizations are behind it, as are the Farm Bureau Federation and the Department of Agriculture, which participated in writing the bill. All have endorsed it.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CORDON. Can the Senator tell me the calendar number of the bill?

Mr. BARKLEY. It is Calendar No. 932.

The Senator from North Carolina [Mr. HOEY], who reported the bill, is now present in the Chamber, and I yield to him to make a further explanation of it.

Mr. HOEY. Mr. President, the Senator from Kentucky has stated the facts. The growers of flue-cured tobacco and burley tobacco, as well as the farm organizations, the warehousemen, and everyone connected with the industry, feel that this is a very necessary measure.

The emergency arises from the fact that the time has now arrived to begin planting, and unless this bill is passed so that quotas may be fixed, this year's production will be interfered with. The bill would not change the quotas on flue-cured tobacco, but only on burley tobacco. The reason for that is that there is a foreign market for flue-cured tobacco, whereas the foreign market for burley tobacco has not been developed. Therefore a surplus has accumulated, depressing the price.

I hope the bill may be passed.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5135) to amend the Agricultural Adjustment Act of 1938, as amended.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. BARKLEY. I thank the Senator from Louisiana [Mr. ELLENDER] and also the Senator from Alabama [Mr. BANKHEAD].

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Perry, one of its clerks, announced that the House insisted upon its amendments to the bill (S. 1152) to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. McGEEHEE, Mr. HARRIS, and Mr. DIRKSEN were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 380. An act to declare a national policy on employment, production, and purchasing power, and for other purposes; and

S. 1480. An act for the relief of Charles R. Hooper.

FAIR EMPLOYMENT PRACTICE ACT

The Senate resumed the consideration of the bill (S. 101) to prohibit discrimi-

nation in employment because of race, creed, color, national origin, or ancestry.

Mr. ELLENDER. I now yield to the Senator from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. President, I wish to submit a few observations on the pending measure, the FEPC bill. I assure the Senate that I shall not detain it very long.

In the first place, I wish to add to the RECORD additional evidence from farm leaders and officers of some of the large agricultural organizations. A few days ago when I addressed the Senate on this subject I placed in the RECORD a letter from the American Farm Bureau Federation, signed by Mr. Edward O'Neal, its president. I now have a letter from Mr. A. S. Goss, Master of the National Grange, one of the oldest farm organizations in the country, if not the oldest. It has a very large and intelligent membership. I send to the desk my letter to Mr. Goss and his reply, and I ask that they be read at the desk.

The PRESIDING OFFICER. Without objection, the letters will be read as requested.

The legislative clerk read as follows:

Mr. A. S. Goss,

Master, the National Grange,

Washington, D. C.

DEAR MR. GOSS: I have your letter of January 31, 1946, in response to my inquiry as to how the Grange stands on H. R. 2232. I am glad to have the information contained in your letter, and I thank you for writing me.

Sincerely yours,

THE NATIONAL GRANGE,

Washington, D. C., January 31, 1946.

Hon. JOHN H. BANKHEAD, 2d,

United States Senate,

Washington, D. C.

MY DEAR SENATOR: You have asked what our stand is upon H. R. 2232, the so-called fair employment practice bill. The National Grange has never passed on this particular measure, but the executive committee has reviewed the measure in the light of our general policies.

We are opposed to the constant tendency of the Government to regulate our daily lives. We do not believe this sort of regimentation is a constructive approach to the race problem. We believe an employer must have the right to employ whomsoever he wishes and we think the best interests of the minority groups are not being served by thus making the problem a political issue.

Yours sincerely,

A. S. Goss,

Master, the National Grange.

Mr. BANKHEAD. Mr. President, I have received a telegram from the Utah Wool Growers Association, signed by Mr. James A. Hooper, secretary, and Mr. Don Clyde, president. I ask that the telegram be read.

The PRESIDING OFFICER. Without objection, the telegram will be read.

The legislative clerk read as follows:

SALT LAKE CITY, UTAH, February 4, 1946.

Senator J. H. BANKHEAD,

Senate Office Building,

Washington, D. C.

Honesty and hard work are prerequisites for winning the peace. Idleness and codling are enemies to progress. Labor must prove worthy of its hire. Producers and consumers must receive consideration. Domestic as well as foreign policies must be based "upon justice no less than upon power." Free enterprise and production will receive serious set-back if the FEPC bill

should become law. We are opposed to the bill.

UTAH WOOL GROWERS,
DON CLYDE, President,
JAMES A. HOOPER, Secretary.

Mr. BANKHEAD. Mr. President, I hold in my hand a telegram from the Texas and Southwestern Cattle Raisers Association, signed by Judge Montague. I ask that it be read into the RECORD.

The PRESIDING OFFICER. Without objection, the clerk will read.

The legislative clerk read as follows:

FORT WORTH, TEX., February 6, 1946.
Hon. JOHN H. BANKHEAD,

United States Senate:

The membership of Texas and Southwestern Cattle Raisers Association is unalterably opposed to the FEPC bill now being discussed by the Senate. The relationship of employer and employee should always be one voluntarily arranged between the parties. Any forced arrangement such as that which would result from the FEPC bill would be slavery in reverse in that the employer would be deprived of freedom. We sincerely commend the fight being made against this bill and hope that it will be defeated.

THE TEXAS AND SOUTHWESTERN
CATTLE RAISERS ASSOCIATION,
By JOE G. MONTAGUE, Attorney.

Mr. BANKHEAD. Mr. President, in the course of this discussion something has been said about the authorship of the pending bill. I think that subject should be clarified insofar as it can be. I am sorry the Senator from New Mexico [Mr. CHAVEZ] is not now in the Chamber. He made a statement about being the author of the bill. I have no purpose to impeach his statement on that subject, and probably he prepared the bill which was offered. But it is important to examine the source of the material from which the bill was prepared.

In the first place, this subject was brought to the attention of the Congress by Executive Order 8802, issued by President Roosevelt on June 26, 1941. I ask that that Executive order be printed at this point in the RECORD, as a part of my remarks. I do not wish to take the time to read it just now.

There being no objection, the Executive order (No. 8802) was ordered to be printed in the RECORD, as follows:

EXECUTIVE ORDER 8802

Whereas it is the policy of the United States to encourage full participation in the national defense program by all citizens of the United States, regardless of race, creed, color, or national origin, in the firm belief that the democratic way of life within the Nation can be defended successfully only with the help and support of all groups within its borders; and

Whereas there is evidence that available and needed workers have been barred from employment in industries engaged in defense production solely because of considerations of race, creed, color, or national origin, to the detriment of workers' morale and of national unity:

Now, therefore, by virtue of the authority vested in me by the Constitution and the statutes, and as a prerequisite to the successful conduct of our national defense production effort, I do hereby reaffirm the policy of the United States that there shall be no discrimination in the employment of workers in defense industries or Government because of race, creed, color, or national origin, and I do hereby declare that it is the duty of employers and of labor organiza-

tions, in furtherance of said policy and of this order, to provide for the full and equitable participation of all workers in defense industries, without discrimination because of race, creed, color, or national origin;

And it is hereby ordered as follows:

1. All departments and agencies of the Government of the United States concerned with vocational and training programs for defense production shall take special measures appropriate to assure that such programs are administered without discrimination because of race, creed, color, or national origin;

2. All contracting agencies of the Government of the United States shall include in all defense contracts hereafter negotiated by them a provision obligating the contractor not to discriminate against any worker because of race, creed, color, or national origin;

3. There is established in the Office of Production Management a Committee on Fair Employment Practice, which shall consist of a Chairman and four other members to be appointed by the President. The Chairman and members of the Committee shall serve as such without compensation but shall be entitled to actual and necessary transportation, subsistence and other expenses incidental to performance of their duties. The Committee shall receive and investigate complaints of discrimination in violation of the provisions of this order and shall take appropriate steps to redress grievances which it finds to be valid. The Committee shall also recommend to the several departments and agencies of the Government of the United States and to the President all measures which may be deemed by it necessary or proper to effectuate the provisions of this order.

FRANKLIN D. ROOSEVELT.
THE WHITE HOUSE, June 26, 1941.

Mr. BANKHEAD. Mr. President, thereafter President Roosevelt issued Executive Order 9346. It was issued on May 27, 1943, and it amended the previous order, No. 8802. I ask unanimous consent that Executive Order 9346 be printed at this point in the RECORD.

There being no objection, the Executive Order, No. 9346, was ordered to be printed in the RECORD, as follows:

EXECUTIVE ORDER 9346

In order to establish a new Committee on Fair Employment Practice, to promote the fullest utilization of all available manpower, and to eliminate discriminatory employment practices, Executive Order No. 8802 of June 25, 1941, as amended by Executive Order No. 8823 of July 18, 1941, is hereby further amended to read as follows:

"Whereas the successful prosecution of the war demands the maximum employment of all available workers regardless of race, creed, color, or national origin; and

"Whereas it is the policy of the United States to encourage full participation in the war effort by all persons in the United States regardless of race, creed, color, or national origin, in the firm belief that the democratic way of life within the Nation can be defended successfully only with the help and support of all groups within its borders; and

"Whereas there is evidence that available and needed workers have been barred from employment in industries engaged in war production solely by reason of their race, creed, color, or national origin, to the detriment of the prosecution of the war, the workers' morale, and national unity;

"Now, therefore, by virtue of the authority vested in me by the Constitution and statutes, and as President of the United States and Commander in Chief of the Army and Navy, I do hereby reaffirm the policy of the United States that there shall be no discrimination in the employment of any person in war industries or in Government by

reason of race, creed, color, or national origin, and I do hereby declare that it is the duty of all employers, including the several Federal departments and agencies, and all labor organizations, in furtherance of this policy and of this order, to eliminate discrimination in regard to hire, tenure, terms, or conditions of employment, or union membership because of race, creed, color, or national origin.

"It is hereby ordered, as follows:

"1. All contracting agencies of the Government of the United States shall include in all contracts hereafter negotiated or renegotiated by them a provision obligating the contractor not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin and requiring him to include a similar provision in all subcontracts.

"2. All departments and agencies of the Government of the United States concerned with vocational and training programs for war production shall take all measures appropriate to assure that such programs are administered without discrimination because of race, creed, color, or national origin.

"3. There is hereby established in the Office for Emergency Management of the Executive Office of the President a Committee on Fair Employment Practice, hereinafter referred to as the Committee, which shall consist of a chairman and not more than six other members to be appointed by the President. The chairman shall receive such salary as shall be fixed by the President not exceeding \$10,000 per year. The other members of the Committee shall receive necessary traveling expenses and, unless their compensation is otherwise prescribed by the President, a per diem allowance not exceeding \$25 per day and subsistence expenses on such days as they are actually engaged in the performance of duties pursuant to this order.

"4. The Committee shall formulate policies to achieve the purposes of this order and shall make recommendations to the various Federal departments and agencies and to the President which it deems necessary and proper to make effective the provisions of this order. The Committee shall also recommend to the Chairman of the War Manpower Commission appropriate measures for bringing about the full utilization and training of manpower in and for war production without discrimination because of race, creed, color, or national origin.

"5. The Committee shall receive and investigate complaints of discrimination forbidden by this order. It may conduct hearings, make findings of fact, and take appropriate steps to obtain elimination of such discrimination.

"6. Upon the appointment of the Committee and the designation of its chairman, the Fair Employment Practice Committee established by Executive Order No. 8802 of June 25, 1941, hereinafter referred to as the old Committee, shall cease to exist. All records and property of the old Committee and such unexpended balances of allocations or other funds available for its use as the Director of the Bureau of the Budget shall determine shall be transferred to the Committee. The Committee shall assume jurisdiction over all complaints and matters pending before the old committee and shall conduct such investigations and hearings as may be necessary in the performance of its duties under this order.

"7. Within the limits of the funds which may be made available for that purpose, the chairman shall appoint and fix the compensation of such personnel and make provision for such supplies, facilities, and services as may be necessary to carry out this order. The Committee may utilize the services and facilities of other Federal departments and agencies and such voluntary and uncompensated services as may from time to time be needed. The Committee may accept the services of State and local authorities and officials

and may perform the functions and duties and exercise the powers conferred upon it by this order through such officials and agencies and in such manner as it may determine.

"8. The Committee shall have the power to promulgate such rules and regulations as may be appropriate or necessary to carry out the provisions of this order.

"9. The provisions of any other pertinent Executive order inconsistent with this order are hereby superseded."

FRANKLIN D. ROOSEVELT.
The WHITE HOUSE, May 27, 1943.

Mr. BANKHEAD. Mr. President, the next development was the introduction of a bill in the House of Representatives by Representative MARCANTONIO. I do not intend to make any offensive remark about him. I suppose he is proud of his record. But I am advised that he voted against every appropriation bill to carry on the war until Russia entered the war, and that after that time he voted for all appropriation bills. I do not know whether he believes in a communistic form of government. The Members of the Senate know something about Mr. MARCANTONIO's record. He is not a Democrat; he is not a Republican. I do not know whether he is a Socialist. Of late, since the American Labor Party was organized, he has belonged to it. I do not know what his record was prior to that time. However, he is the author of the first legislative bill which was introduced on this subject in the Congress of the United States. It is surprising to see so many able, strong Members of the Congress, both in the House of Representatives and in the Senate, following the leadership of Mr. MARCANTONIO on this subject.

Now let us consider the record. Mr. MARCANTONIO introduced his bill on July 20, 1942. It is House bill 7412. I ask unanimous consent that it may be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the bill (H. R. 7412) was ordered to be printed in the RECORD, as follows:

Be it enacted, etc.—

FINDINGS AND POLICY

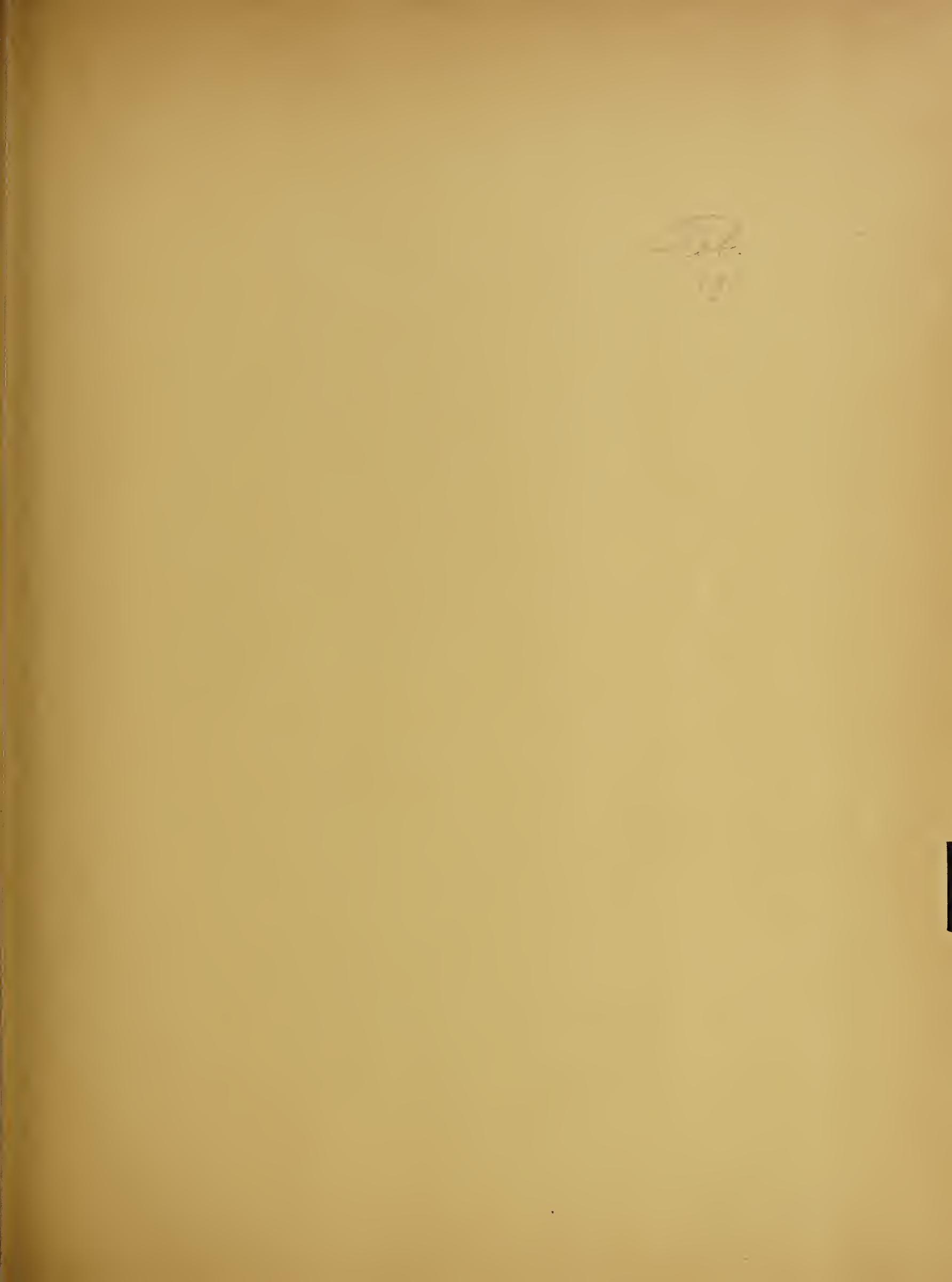
SECTION 1. The practice of some employers in denying employment opportunities to and in discriminating in employment against persons because of race, color, creed, religion, national origin, or citizenship is obnoxious to the fundamental democratic principle of equal opportunity for all, denies basic civil rights and liberties to large sections of the population, is destructive of workers' morale, impairs national unity, and wastes essential manpower.

It is hereby declared to be the policy of the United States to repudiate and prohibit discrimination in employment because of race, color, creed, religion, national origin, or citizenship by employers engaged in the manufacture or furnishing of materials, supplies, articles, equipment, or services to or for the use of the United States or any agency or instrumentality thereof.

DEFINITIONS

SEC. 2. 1. The term "committee" means the Committee on Fair Employment Practice appointed by the President pursuant to Executive Order No. 8802 of June 25, 1941.

2. The term "person" includes one or more individuals, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, or receivers.



[PUBLIC LAW 302—79TH CONGRESS]

[CHAPTER 31—2D SESSION]

[H. R. 5135]

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law Numbered 118, Seventy-eighth Congress, as amended by Public Law Numbered 276, Seventy-eighth Congress, is amended by striking out all of the first sentence therein following the words "marketing years 1944-45, 1945-46" and inserting in lieu thereof the following: "1946-47 and 1947-48 shall be proclaimed and the national marketing quota proclaimed by the Secretary and the State and farm acreage allotments established pursuant to the proclaimed national quota for burley tobacco for the 1946-47 marketing year shall be reduced uniformly so as to make available a supply of burley tobacco for such marketing year not less than the reserve supply level: Provided, That no allotment of one acre or less shall be reduced by more than 10 per centum."

The amendment made by this section shall not apply to flue-cured tobacco for the 1946-47 marketing year.

SEC. 2. The first sentence of section 314 (a) of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows: "The marketing of any kind of tobacco in excess of the marketing quota for the farm on which the tobacco is produced shall be subject to a penalty of 40 per centum of the average market price (calculated to the nearest whole cent) for such kind of tobacco for the immediately preceding marketing year."

The amendment made by this section shall become effective July 1, 1946, except that in the case of flue-cured tobacco such amendment shall become effective May 1, 1947.

Approved February 19, 1946.

